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VI

SOCIALISM: A CRITICAL ANALYSIS

SOCIALISM

A CRITICAL ANALYSIS

BY

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BOSTON AND NEW YORK
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PREFACE

THIS series of books owes its existence to the generosity of Messrs. Hart, Schaffner, and Marx, of Chicago, who have shown a special interest in trying to draw the attention of American youth to the study of economic and commercial subjects, and to encourage the best thinking of the country to investigate the problems which vitally affect the business world of to-day. For this purpose they have delegated to the undersigned Committee the task of selecting topics, making all announcements, and awarding prizes annually for those who wish to compete.

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SOCIALISM: A CRITICAL ANALYSIS

CHAPTER I

INTRODUCTION

FEW movements have been more widely discussed and at the same time more vaguely defined than socialism. The movements to which the term applies have been so diverse in starting-point and in goal, so variously colored by individual experience and social environment, that the common element is often difficult to discern. Socialism has always been an opposition policy, and, as is the way with oppositions, under its banner have marched the most motley forces, at one chiefly in that all were passionately protesting against Things as They Are. It has not yet been codified and delimited by the actualities of office. It is a living movement, changing insensibly with every change in the mental horizon or material conditions of the time, and so impossible to label with the cheerful finality with which the scientist treats a paleolithic fossil. The significance of the term is still further clouded by its frequent use as a bogey with which to ward off any assault whatever on vested rights or vested wrongs — though serviceability for this scarecrow function is happily declining — and by the counter-tendency, wherever disrepute gives place to vogue, of sundry well-meaning sentimentalists to adopt the label to denote their half-baked yearnings.

Definiteness may most easily be given the conception by considering it in its relation to the existing industrial system, which socialists are wont to summarize as capitalism. This relation presents four main aspects, which may be noted briefly.

Socialism is in the first place an indictment of any and all industrial systems based on private property and competition. The indictment is urged hotly and with unsparing detail, in ponderous treatise and fleeting pamphlet, through party organs and on party platforms. Day after day and week after week vigorously edited journals keep up a running fire on every weak spot of capitalism. Night after night on countless street corners soap-box orators condemn the existing order root and branch. It is judged by its fruits, and its fruits are charged to be waste and wretchedness and want. All is for the worst in this worst of possible worlds: private property and devil-take-the-hindmost have failed utterly to provide an abiding foundation for the social structure.

Socialism in the second aspect presents an analysis of capitalism. Its origin is accounted for, and its present working described. This analysis is undertaken with very different motives according as the reigning philosophical prepossessions vary. To the Utopian believer in the benevolence of all Nature's intentions and the preordained harmony of the world, it seems necessary to account for the wide divergence between design and reality. To the more recent thinker, saturated with Hegelian or Darwinian conceptions of development, scientific discussion inevitably runs in terms of final goal or of origins. Whatever the standpoint, this phase of the subject is rarely lacking in any fully developed socialistic system.

From a third view-point socialism presents a substitute for capitalism. More or less in detail, according as theoretical or tactical exigencies necessitate, every socialist system forecasts the ideal coöperative commonwealth that is to be. The ideal of the future of course varies with the analysis of the present; prescription follows diagnosis. But, neglecting minor variations, socialism in this aspect may be defined as the demand for collective ownership and utilization of the means of production and for distri-

bution of the social dividend in accordance with some principle of justice.

Finally, socialism involves a campaign against capitalism. Here variation is at the maximum. The tactics adopted have taken many forms, peaceful persuasion and armed revolt, parliamentarism and syndicalism, experimenting with "duodecimo editions of the New Jerusalem" and waiting for capitalism to dig its own grave. In each case the tactics in the campaign bear a necessary relation to the theoretical analysis consciously or unconsciously adopted and to the industrial and racial environment.

In each of these aspects — indictment, analysis, panacea, campaign — socialism is intelligible only as the antithesis of the competitive system. It has followed private property like its shadow. In every great period of social readjustment, where in the shifting of economic foundations and the decay of traditional moral restraints an untrammeled individualism temporarily asserts itself, we find an inevitable socialist reaction. Since it is within the past century or two, the period since what is called preëminently the Industrial Revolution, that the economic motive has most widely dominated men's activities the world over, and that within the economic field the spirit of individualism has had freest play, it is within this same period that socialism has reached fullest and clearest development. Accordingly, the present discussion will be confined to those post-eighteenth century systems of socialism which alone have important significance from either the practical or the theoretical viewpoint. It may be well, however, in making a preliminary survey of the various socialist systems, to include a brief reference to some of the more characteristic of the earlier developments, chiefly to bring the later theories into clearer relief.

It is to Greece that we owe the first of the long series of Utopian romances from which socialism derived much of its early inspiration. Plato, weary of that bare-faced

use of political power for class gain which gave Greek civic strife its peculiar Corcyran fury, sought refuge in a dream city where conflict of social and individual interest would be impossible. The ideal which he sketched in "The Republic" was an aristocratic and qualified communism. It was to be a communism for the ruling classes only; the lower strata, farmers, craftsmen, and slaves, apparently were to remain under the régime of private property. It was from the ruling classes alone that it was important to remove the temptations which the clash of self-interest afforded; they must be made true watchdogs, rather than wolves devouring the flock. Indeed, in one aspect this Platonic communism involves hardly more than the substitution of a paid and specialized civil service for government as the by-product of predatory loot.[1] It was a communism of consumption alone; the governed classes, by whose contributions the rulers were to be maintained, continued to produce their wealth in competitive fashion. It was a communism of renunciation rather than of enjoyment, an "equal abrogation of material goods for the sake of that ideal happiness which comes from the fulfillment of function."[2] It was a communism — or rather a common renunciation, almost ascetic, of separate "ownership" — of wives and children as well as of goods, for Plato recognized more clearly than many later critics of society that family interest rather than individual self-interest is the chief motive to competitive activity. Such in essence was that visioned state which was destined to inspire countless successors, none of them, except More's dream, approaching their model in its literary quality and its piercing, if partial, insight.

Rome contributes little either to aspiration or to agitation on socialistic lines, the so-called Agrarian Communism of the Gracchi being in reality a movement for redistri-

[1] Barker, *Political Thought of Plato and Aristotle*, p. 141.
[2] *Ibid.*, p. 138.

bution of private property rather than for its abolition. The third great source of our modern civilization, Judea, is more significant. The radicalism markedly frequent in the Jewish race — the race of the Marxes and Lassalles, as well as of the Rothschilds — finds expression in the prophets' denunciation of injustice and inequality, and in the paper provision for the Jubilee redistribution ascribed to Moses. The same eager sympathy with the losers in life's battle continues under the gospel dispensation: the poor are exalted, the "criminal rich" denounced, the sharing of goods straitly enjoined, and millennial visions of a new kingdom of heaven on earth where social as well as religious wrongs should be righted gain sway. But nowhere did charity pass into thoroughgoing communism; and after the first flush of enthusiasm faded, growing worldliness repressed millennialism as heretical, and divorced heaven and earth. Among the Christian fathers we continue to find denunciations of the rich and of the institution of private property as violent as those of any Hyde Park ranter of to-day,[1] but no thought exists that the primitive condition of equality may be restored:

[1] Cf. St. Basil: "But I ask you what is it that you call yours? From whom have you received it? You act like a man in a theatre, who hastens to seize all the seats and prevent the others from entering, keeping for his own use what is meant for all. How do the rich become rich, save by seizure of those things which belong to all? . . . The earth is given in common to all men. Let no man call that his own which has been taken in excess of his needs from a common store. . . . The bread which you keep back is the bread of the hungry; the garment you shut up belongs to the naked." — *Opera*, III, 492; II, 725–26.

St. Ambrose: "Nature has made all things common for the use of all. . . . Nature made common right, usurpation made private right." — *De Offic.*, I, chap. 28.

St. John Chrysostom: "The rich man is a thief."

St. Gregory: "When we share with those who are in need, we do not give them what belongs to us but what belongs to them. It is not a work of grace but the payment of a debt."

Quoted in Lecky, *Democracy and Liberty*, pp. 232 seq. and Villegardelle, *Histoire des idées socialistes avant la révolution française*, pp. 71 seq.

it is meant merely to extort from the rich the ransom of generous alms. Gradually the monasteries segregate and sterilize those elements in which material self-seeking is weakest, or spiritual self-seeking strongest.

Towards the close of the Middle Ages strong communistic tendencies appeared in the popular movements excited by religious revolt and economic disorganization. Among Wyclif's poor priests and the Lollards, among Hussites and Taborites, in the Peasants' War, and the Anabaptist Movement, with its spectacular culmination in the reign of the saints in Münster, and in the countless minor fanatical outbursts of the time, the vision arose of a perfected social order in the coming millennial kingdom. Religious and social aspirations were inextricably intertwined.[1] Sometimes the communistic doctrine or experiment was due to the leaven of early Christian influence; sometimes to a harking back to the primitive communism, then rapidly disintegrating, of the old village or mark unit; sometimes, as in the case of Münster's brief experience of community of goods and legalized polygamy, to the abnormal pressure of a state of siege. Throughout, it is still a communism of the imperfect type, of consumption goods alone, and differs widely from modern developments in its mysticism and asceticism. But it marks a stage of advance towards the later forms in that it is an aggressive proletarian movement, not a passive and unpolitical acceptance.

This aggressive note particularly characterizes the revolutionary outbursts of Lilburne and the Levelers in the days of the Long Parliament. So far as England was

[1] "The political and economic aspirations of the democracies, especially of the German cities, called forth by the pressure of circumstances, readily and naturally clothed themselves in a religious or theological garb, whilst the religious aspirations themselves seemed to demand political and economic revolutions as the conditions of their fulfillment." — Bax, *Rise and Fall of the Anabaptists*, pp. 166–167.

concerned, however, no practical movement of socialistic tendencies was to attain importance until centuries later. Her main contribution to communistic development in this epoch lay rather in the field of literary romance, in giving to the world that vision of a perfect communistic commonwealth which so far surpassed its later rivals, such as Campanella's "City of the Sun," and Bacon's "New Atlantis," that it has given its name to the whole school. "With the 'Utopia,'" declares the foremost exponent of the scientific socialism of to-day, "modern socialism begins."[1] Thomas More, writing in sixteenth-century England, with its dawning capitalism, its agriculture rapidly being transformed from a livelihood to a profit basis, its growing rural proletariat dispossessed to make room for sheep,[2] marks a new stage. While the "Utopia" even less than "The Republic" is meant to convey a serious programme of practical reform, it is significant of the awakening forces that even in fancy a responsible and normally conservative statesman could advocate such heroic treatment for the evils surging about him. More's condemnation of private property is out-and-out. His remedy is equally thoroughgoing, — absolute control of production by the state. The communism of Utopia is not a voluntary and sporadic development, but state-controlled and state-wide; for the Tudor Minister, the extension of state powers had few terrors. The problems which every socialist state-builder since has felt it his duty to solve, the problems of population and marriage, of hours of labor, of the use of money, of a possible decreased productiveness, are faced frankly and discussed with a quaint ingenuity and a broad human sympathy which have made "the golden book of Thomas

[1] Kautsky, *Vorläufer des neueren Sozialismus*, p. 466.

[2] "Your shepe that were wont to be so meke and tame and so smal eaters, as I heare saye, be become so great devourers and so wylde that they eat up and swallow doune the very men themselfes." — More, *Utopia* (ed. Arber), p. 41.

More," with Plato's earlier dream, the most imperishable of all socialist visions.

In the questioning time preceding the French Revolution, the economic institutions of society did not escape assault. Throughout the French speculation of the eighteenth century there was a steady undercurrent of protest against the evils of private property and of the inequality that followed in its train. Property was made a joint defendant in the indictment urged against kingcraft and priestcraft. On the strength of this, socialist writers have sometimes maintained that the revolutionary movement was socialist in its essence. Plausibility is lent this assertion by the long list of violent attacks on property and inequality which can be culled from almost all the writers of the radical movement. But taking these attacks in their proper proportion to the general theory of their authors, and allowing for the dramatic exaggeration common to the writing of the time, it seems more tenable that the socialism current in eighteenth-century France was for the most part vague, sporadic, and far from forming a continuous movement or a definite school. The ambiguous position of Rousseau is typical in this connection. Some of his critics have seized on such denunciatory passages as the oft-quoted description of the origin of property,[1] pregnant with evil, and forthwith have labeled him socialist.[2] Others, struck by the many contradictory passages in which he recognizes property as at worst a necessary

[1] "The first man who, having enclosed a plot of ground, took thought to declare 'This is mine,' and found people simple enough to believe him, was the real founder of civil society. How many crimes, wars and murders, how much misery and horror would have been spared the human race if some one, tearing down the pickets and filling up the ditch, had cried to his fellows, 'Beware of listening to that impostor: you are lost if you forget that the land belongs to none and its fruits to all.'" —"Discours sur l'inégalité," *Œuvres*, i, p. 551.

[2] "Jean-Jacques is undoubtedly the founder of modern communism." —Janet, *Les Origines du socialisme contemporain*, p. 119.

evil, and by the moderation of his practical proposals, pronounce him a conservative.[1] While the latter judgment is doubtless the sounder, it must be recognized that he inspired an attitude of revolt and provided an arsenal of revolutionary phrases which served later to carry the doctrine far beyond the bounds at which he himself hesitated.

Even in the writers who are usually recognized as definitely socialistic, their speculation on economic questions is as a rule subordinate and incidental to the attack on absolutism in church and state which was the main task of the radical wing of eighteenth-century speculation.[2] Meslier, curé and atheist, connecting link between John Ball and Bakounine,[3] in that remarkable posthumous "Testament" in which he poured out his bitter pent-up hatred of all that was orthodox and powerful in his day, brings in his attack on the economic order as an indictment against the Christianity which sanctioned its abuses. Morelly, the most systematic and constructive of eighteenth-century socialists, sets before himself "this excellent problem, how to find a situation in w[illegible] it would be practically impossible for man to be wicke[illegible]r depraved."[4] Concluding that private property is responsible for all man's ills,[5] he finds the remedy in common property and draws up an elaborate code for regimenting all society — every citizen a state functionary, with education, trade,

[1] "Far from being an advocate of communism, Rousseau was unable to conceive of society without property." — Sudre, *Histoire du Communisme*, p. 219. Cf. conflicting opinions in Lichtenberger, *Le Socialisme au xviiie siècle*, pp. 128 seq.

[2] "Up to quite recent times social thinking and theorizing . . . may be called a by-product in the laboratory of the philosopher or the theologian." — Guthrie, *Socialism before the French Revolution*, p. 202.

[3] Lichtenberger, *op. cit.*, p. 83.

[4] *Code de la Nature*, p. 14.

[5] "Analyse vanity, conceit, pride, ambition, fraud, hypocrisy, profligacy, even the greater number of our sophisticated virtues, and one and all you may resolve them into that subtle and pernicious element, the desire for getting and having." — *Code de la Nature*, p. 29.

duties, awards, all assigned him by central authority. Mably tries the individualist system by the same touchstone of morality, finds it wanting especially in comparison with the mythical Lacedemonian communistic paradise with which his classic researches had familiarized him, but, recognizing what deep roots private property had sunk in human nature, compromises on an attempt to redress the worst inequalities by taxation and limitation of wealth.

At last the storm broke and outworn feudal privilege and abuse went by the board. But private property succeeded in weathering the gale. The net result of the revolution was merely to place it on a firmer basis by strengthening and extending the class of small property-holders and lopping off the worst excrescences of privilege which had most stirred revolt. It was essentially a bourgeois movement. Yet here and there more radical spirits, disillusioned by the persistence of misery even with king beheaded and clergy and noble shorn, were forced on to attack, not the abuses of individual property but the institution itself. Of these Babeuf has been given pre-eminence, the preëminence of the scaffold, by his ill-fated attempt to carry through yet one more revolution and establish the rigid sawed-off equality he fanatically worshiped. It has been contended that Babeuf marks a new epoch in socialist development.[1] Yet his theory shows little advance over that of his masters, Mably and Morelly, and his attempt at practice was not the result of any broad-based proletarian movement, but the more or less

[1] "Babeuf, whose conspiracy must be regarded as the starting-point of the present social movement." — Menger, *The Right to the Whole Produce of Labour*, p. 63.

"Babeuf . . . was the connecting link between eighteenth-century political democracy and modern revolutionary socialism." — Weatherly, "Babeuf's Place in the History of Socialism," *Publications of American Economic Association*, 3d ser., vol. viii, no. 1, p. 123.

accidental outcome of the "Go to, let us make a revolution" atmosphere of his time.

In the wars and the triumphs of reaction which followed the revolution, socialist criticism and socialist aspiration were overborne, but only for a time. Political revolutions had disturbed the lethargy and the conservatism of the past, had given unquenchable thirst for change, and in the sudden and dramatic shifts of power made any change seem possible. The steam engine and the power loom were transforming the industrial structure of society, and by making the excesses of unregulated capitalism possible were making the counter-forces of socialism inevitable. The fabulous potencies of the new instruments of production quickened hopes of universal prosperity which were turned to bitter gall by the realization of the waste and oppression and exploitation attendant on the competitive system.

The leaders of the new movement which arose had themselves personal knowledge of the new forces: Owen, captain of industry, with the prestige of pecuniary success and philanthropic endeavor behind him; Fourier, "sergent de boutique," as he called himself, trained in trade as Owen in manufacture, and analyzing its wastes with the insight of his Poe-like imagination and the bias of his systematic "rectangular" temperament; Saint-Simon, scion of Charlemagne, but the unsparing foe of hereditary pretensions, prophet of a new order where industrial capacity would have highest honor and efficiency be secured by scientific organization of society's scattered forces. They were all men in deadly earnest, they and their schools and their fellows; dreamers indeed, possessed by vague, intangible, large-horizoned ideals of humanity's perfection, but resolved to make the dreaming come true, to preach the new gospel to the old world till all men should accept. They strike a note of seriousness not found in Mably or Morelly: socialism passes definitely from the dilettant

stage to the crank stage. One and all the leaders of this school were men of contagious enthusiasm and unbounded self-confidence, well content to suffer neglect and obloquy to-day, to be hailed savior of society to-morrow.

In their analysis of the system against which they raised their protests, these Utopian socialists shared the unhistorical attitude of the eighteenth-century radicals, and their ascription of all evil to the knavery or ignorance of the barbarian past. In their panaceas there was wide variance from the most rigid state control to the most implicit reliance on voluntary coöperation, but this in common, that each believed salvation lay in the discovery of the perfect social order God or Nature had designed, and that each worked out in naïve detail an ideal commonwealth, based on the discovered principle, which might forthwith be set up and forever be enjoyed. In their campaign against capitalism they appealed not to a single class but to all men as brothers, appealed to their intelligence, their sense of justice, their enlightened common interest, seeking by incessant preaching and writing of the word and by establishing experimental colonies to bring them to the faith. Keenly critical, ingeniously suggestive, contagiously enthusiastic, they played no unimportant part in making men realize there was a social question to be solved. But their own direct attempts at solution came to nothing. One school after another flashed into popularity, only to disappear as rapidly, and make way for still another type of socialist thought. In France Proudhon and Louis Blanc marked the transition from Utopian to scientific socialism, Proudhon contributing to the analysis of capitalism his theory of property as the right of aubaine, stressing the desirability of democratizing credit, and developing the optimistic anarchism implicit in many of his Utopian forerunners, and Blanc on the other hand dwelling with Saint-Simon on the necessity for the organization of labor, exalting the rôle the state was to play and groping toward

making socialism a political and proletarian movement. But in the main France lost its primacy in the socialist development; the torch passed across the Rhine.

Karl Marx is the greatest name on the roll of socialism.[1] For half a century his theories have been the intellectual backbone of the movement, and whatever modifications and more or less ingenuous re-interpretations they have undergone these later days, it is still his personality which dominates the minds of millions of his fellow men. Marx was admirably equipped for his mission; more justly even than Lassalle he could claim to be "fortified with all the culture of his century." The most diverse influences went to his mental shaping. Hegelian philosophy modified by Feuerbach's materialism gave him his outlook on life. His rabbinical ancestry — he was of the house of Mordecai — strengthened the tendency to scholastic hair-splitting. The political unrest of Germany and France in the forties gave him a revolutionary bias. The socialist sentiment, still strong in Paris in the days of his exile there, made his revolutionism social rather than political. The concrete developments of capitalism in England, where the latter half of his life was passed, gave him the key to the future trend of economic organization, and plentiful ammunition for criticism. In the theories of English classical economists he found doctrines easily twisted into condemnations of the existing order, while the English utilitarian philosophy materially modified his original neo-Hegelian outlook. Such a cosmopolitan training was eminently fitted to shape a leader of a cosmopolitan movement.

The service of Marx to his cause, his followers claim, was

[1] "The socialism that inspires hopes and fears to-day is of the school of Marx. No one is seriously apprehensive of any other so-called socialistic movement. . . . The socialists of all countries gravitate toward the theoretical position of avowed Marxism. In proportion as the movement in any given community grows in mass, maturity, and conscious purpose, it unavoidably takes on a more consistently Marxian complexion." — Veblen, *Quarterly Journal of Economics*, xxi, p. 299.

to make socialism scientific, inevitable, proletarian, aggressive, international. He made it scientific by an analysis which laid bare all history as the record of the war of class against class, and traced capitalist exploitation to its source in surplus value. He made it appear inevitable, no longer a mere personal fantasy, a dreamed Utopia to strive for or to build by plan and specification, but the certain next step in social progress, the outcome of forces immanent in the existing industrial order. He made it proletarian, uniting the socialist ideals of the middle-class dreamers of the previous generation and the practical aspirations of the working classes, newly feeling their grievances and their power. He made it aggressive, appealing not to the idealism and the justice of the few, but to the hunger of the many. He made it international, declaring that the lines of division should no more fall between nation and nation but between class and class, between international capital and international labor. "Let the masters tremble at the coming of the Communist revolution. The workers have nothing to lose but their chains; they have a world to win. Workers of the world, unite!"

Marx's clarion call has been answered. Millions of the workers of the world march under the banners he and his fellow leaders have unfurled. Marx himself, it is true, deficient in constructive ability and political tact, counted for little directly in marshaling the hosts. But other leaders have risen to carry on the work, from Lassalle, most spectacular of agitators, to Liebknecht and Bebel, patient, unwearied tacticians; Auer and Singer, masters of organization; Guesde, tenacious of the faith committed; and Jaurès, prince of opportunists; Hyndman, uncompromising in his orthodoxy; Anseele, exponent of socialism in the coöperative; and Vandervelde its exponent in Parliament; Turati and Ferri, the *intellectuel* leaders of the Italian movement — these and countless others, preaching undiluted Marxism or in some measure continuing the

Utopian or Proudhon tradition, or making Fabian compromises with necessity, have given voice to the discontent of uneasy Europe. Socialism, which a generation or two ago was despised by the world as the creed of a handful of fantastic dreamers or of obscure bands of conspirators with a mania for issuing manifestoes, to-day stands out as the most remarkable international political movement in history, commanding the adherence of eight million voters, representing every civilized country under the sun.

The success attained by this socialist propaganda has been in large measure the outcome of the changes in industrial structure which marked the past century. The growth of a large and compact wage-earning class, shut out for the most part from the probability of individual control of the ever huger and more costly instruments of production, made inevitable movements to gain for the workers an effective share in the control of industry. Most successful among these movements have been the attempts, based on the continued acceptance of private ownership, to secure an effective voice in determining the conditions of employment, by trade-union organization and by legislative regulation. More ambitious was the project, awakening in the earlier days intense enthusiasm and glowing anticipation, of abolishing the capitalist by establishing workmen's productive coöperative societies. But far and away most dazzling was the ideal of communal and national ownership and control of all the means of production, making workers and owners one throughout the whole field of industry. For over half a century it has been the aim of socialism to arouse the discontent of the working classes to the pitch where no less pretentious panacea, no mere betterments of the existing order, would be accepted. It is our first task to examine the indictment urged to this end.

CHAPTER II

THE SOCIALIST INDICTMENT

It is in their indictment of the existing order that socialists are most in harmony. Theorists who are poles apart in the remedies or the tactics they propose join forces in anathematizing the common enemy. There is, of course, wide variation in the relative emphasis laid on the different counts, a variation corresponding to some extent to the differences in the analytical viewpoints adopted: to one school the parasitical middleman is the worst offender, to another the exploiting capitalist; to one the anarchy of production is the rock of offense, to another the unfairness of distribution; the moralist bemoans the low ethical standards of a competitive society, and the artist the hideousness of its products. But the ammunition is freely exchanged; whatever the main charge be, the more ills that can be laid at the door of competition and private property the better. So the twentieth-century socialist repeats the fiery denunciations of John Ball, and Morris and Marx find common ground.

The success of socialist agitation depends not merely on the existence of serious industrial evils, but on the readiness of the masses of men to hearken to a gospel of discontent. Before reviewing the objective facts of modern industrial life against which criticism is directed, it is advisable to consider the subjective factor. However black the ills that are charged against capitalism, few socialists will contend that misery and oppression are new in the world. To understand why a fiercer resentment, a wider revolt prevails to-day than ever before in history, it is necessary first to glance at the psychology of modern social unrest.

Not least important among the causes of the increasing discontent is the betterment in the condition of the masses. Spencer has called attention to the curious paradox that frequently "the more things improve the louder become exclamations about their badness."[1] When women bore the heavy burdens and received what food was left after their lords and masters had eaten, there was little outcry as to the rights of women; to-day, when they have been given all but equal privileges, their grievances are proclaimed from the housetops. A century ago, when drunkenness was normal and the man who could not take his one or two bottles of wine was held a milksop, there was little agitation against the evils of drink; but to-day, when more exacting industrial demands and temperance propaganda have produced comparative sobriety, the prohibition movement sweeps whole states. So with the condition of the average workingman of to-day as compared with that of his ancestors. It is beyond question that wages are higher, hours are shorter, housing is better, the death-rate lower. The state and private and institutional philanthropy have been active to unparalleled degree in providing for him free education, free museums, free parks. Yet all these betterments have merely served to whet the appetite for more, to nourish the spirit of resistance, to foster a "divine discontent." The hopelessness of utter poverty and ignorance crushes; a half advance rouses fierce demand.

At the same time that ambition is stirred, the goal tantalizingly recedes into the distance. Not merely is demand stiffened; its scope is immensely widened. The higher pedestal has opened new horizons: heavens undreamed of have been glimpsed. The growth of your wants outfoots the growth of your ability to supply them. A smaller proportion of your demand is effectual, as the economists remark. For your standard is set, not by your outgrown

[1] *A Plea for Liberty*, p. 1.

self, nor by your ancestor dead and gone, but by the more fortunate about you. The optimist may remind you that one born in your station of life a century ago, or in that poorer land from which you emigrated, would have thanked God humbly for meat once a week; that not many centuries ago cotton was a luxury reserved by law for countesses, or that Plantagenet kings slept on rushes and dined by the light of a tallow dip. To no purpose: it matters little that your great-grandfather walked shoeless, while you walk shod; it matters much that you walk, while your neighbor whizzes by in his ninety-horse-power car, or casts upon you the shadow of his aeroplane.[1] Standards have advanced faster than incomes. The luxuries of yesterday become to-day's necessities. More and more, home services and preparations are replaced by the tempting but expensive conveniences of the open market. Speed and up-to-dateness must be had at any cost.

Democracy sharpens the sting of economic inequality. Equal votes suggest equal purses. By a taking analogy industrial democracy appeals as the inevitable complement of political democracy. Plutocratic prejudices against the ability of the people to govern themselves in the matter of making a living must go the way of outworn aristocratic prejudices against the people's ability to govern themselves in affairs of state. When men are born and work and die within the limits of caste, and are trained to pray Providence to keep them in their proper stations and bless the

[1] "What possible uneasiness was it to the workingman, before the discovery of America, that there was no tobacco to be had? or before the era of printing, that no desirable book could be got? All human hardships and sorrows depend, then, only upon the proportion of the means of contentment to the, at the time, present wants and customs of life. We measure our sorrows and hardships, our contentment and blessings, by the conditions of other classes at the period. It is because, at different periods of progress, added wants have sprung into existence, bringing desires formerly unknown into demand, that sorrows and hardships appeared." — Lassalle, *Open Letter*, pp. 22–23 (translated by Ehmann and Bader). Cf. Le Bon, *Psychology of Socialism*, p. 12.

Squire and his relations, it is only the few hardiest spirits who dream of questioning the justice of their lot. But when the barriers of caste are down, and democratic theory teaches that every man is as good as his neighbor, then the case is altered. It may well be that the gap between modern millionaire and tenement dweller is less than the gap between medieval lord and peasant, but the peasant did not compare himself with his lord.

At the same time the old ties which had enforced content have weakened. In Europe the Church has long been the bulwark of Things as They Are. The teaching of Jesus as to the future life has not rarely been perverted into a consolation offer for the losers in this world's race.[1] Let Lazarus content himself with the crumbs from Dives' table in this brief second we call Time, and through Eternity he shall inherit pearly mansions, and may look down on Dives vainly striving to enter the needle's eye or writhing in hell-fire. Lassalle's gibe about payment by checks on the Bank of Heaven had enough truth in it to hurt. The Church to-day is reawakening to her social duty, but the harm has been done.

The massing of men in great cities, subject to the social-

[1] A clerical opponent of socialism, seeking to lay the responsibility for its growth on "liberalism" and "extreme Darwinism," declares: "If it is once admitted that all ends with this life . . . who can require of the poor and oppressed, whose life is a continued struggle for existence, that they bear their hard lot with patience and resignation and look on with indifference while their neighbors are clad in purple and fine linen, and daily revel at sumptuous banquets? . . . If you despoil him of every hope of a better life to come, what right have you to prevent him from striving to obtain happiness on earth as best he can, and therefore to make imperative demands for his share of earthly goods? . . . If the atheistic and materialistic theory is true, the demands of socialism are certainly just — that all the goods and enjoyments of this life should be equally divided among all; that it is therefore unjust that one should live in a magnificent palace and enjoy all pleasures without labor, while another is living in a squalid cellar or cold garret, and cannot, even with the greatest effort, obtain enough bread to appease his hunger." — Victor Cathrein, S.J., *Socialism*, translated by Gettlemann, pp. 224–225.

izing influence of the factory and the amusement-park, tends in the same direction. The isolated farmer or the artisan in his self-sufficient, impervious village group clings tenaciously to an individualist ideal. The tenement dweller or the mine worker, cut loose from his native environment, acted on every hour by socializing influences, turns more readily to socialism. When Christianity was a revolutionary gospel it made its appeal to the city proletariat, not to the "pagans."

More subtle and pervasive is the effect ascribed to machine industry itself.[1] Professor Veblen assigns to the machine process a disciplinary and selective effect on the habits of thought of the workmen closest in touch with it. Their reasoning comes to run in terms, not of anthropomorphism and conventional precedent, but of "opaque, impersonal cause and effect."[2] Arguments based on authenticity and usage or even on the once revolutionary basis of natural rights cease to have meaning. Especially does the "natural rights institution of property" fall into disfavor. Socialism, voicing this attitude, differs herein from previous expressions of popular discontent which aimed merely at a more equitable distribution of property rights, not at their abolition — though it is admitted that with most early socialists and with the neophytes of to-day the claim to the full product of labor has carried most weight. Without pressing the point unduly, it seems undeniable that it is only among the industrial classes of the industrial nations that socialism has won wide adherence. Men engaged in pecuniary rather than in industrial employments, though equally propertyless, are immune.[3]

[1] Veblen, *Theory of Business Enterprise*, chap. ix, "The Cultural Incidence of the Machine Process," *passim*.

[2] *Ibid.*, p. 310.

[3] "Instead of contrasting the well-to-do with the indigent, the line of demarcation between those available for the socialist propaganda and those not so available is rather to be drawn between the classes employed in the industrial and those employed in the pecuniary occupations. It is

The miracles of nineteenth-century science have helped to accustom men's minds to schemes of revolutionary change. We have mastered nature, have weighed the sun and flashed messages across the ocean, have harnessed steam and electricity to do our bidding, and shrunk the huge earth's circumference to a forty-day Cook's tour. To optimistic minds it seems but child's play, compared with such achievements, to alter the economic system under which we live.

Finally it may be noted what facilities for propaganda have been created by the new mobility of labor, the ease of transportation, the rise of the popular press. The barriers which a few centuries ago made it possible to isolate a radical force, have broken down; now all the world 's the stage. Criticism has proved a commercial success: the press prefers ten proletarian coppers to one plutocratic nickel. The fierce yellow light that beats upon a multimillionaire keeps the sins of wealth ever before us.

Thus socialism has found the ground ready for the seed of discontent. What seed has been sown? what are the chief counts in the indictment brought against capitalism?

a question not so much of possessions as of employments; not of relative wealth, but of work. . . . The socialistic disaffection shows a curious tendency to overrun certain classes and to miss certain others. The men in the skilled mechanical trades are peculiarly liable to it, while at the extreme of immunity is probably the profession of the law. Bankers and other like classes of business men, together with clergymen and politicians, are also to be held free of serious aspersion; similarly the great body of the rural population are immune, including the population of the country towns and in an eminent degree the small farmers of the remoter country districts; so also the delinquent classes of the cities and the populace of half-civilized and barbarous countries. . . . The unpropertied classes employed in business do not take to socialistic vagaries . . . [but] to some incursion into pragmatic romance, such as Social Settlements, Prohibition, Clean Politics, Single Tax, Arts and Crafts, Neighborhood Guilds, Institutional Church, Christian Science, New Thought, or some such cultural thimblerig." — Veblen, *Theory of Business Enterprise*, pp. 348–349, 351, note.

Applying first the touchstone of efficiency in the production of material goods, it is charged that the competitive system has lamentably failed. The provision of society's requirements as a by-product of individual self-seeking has broken down. Private profit is far from coinciding with social gain. One of the most objective and clear-sighted observers of present-day economic life thus summarizes a part of his investigation: "The outcome of this recital, then, is that wherever and in so far as business ends and methods dominate modern industry, the relation between the usefulness of the work (for other purposes than pecuniary gain) and the remuneration of it is remote and uncertain to such a degree that no attempt at formulating such a relation is worth while. . . . Work that is, on the whole, useless or detrimental to the community at large may be as gainful to the business man and to the workmen whom he employs as work that contributes substantially to the aggregate livelihood."[1]

In the first place, it is charged, laissez-faire breaks down in that wide range of cases where utilities of undeniable importance are not provided because incapable of private appropriation and sale. The importance of forest preservation for conserving moisture is undeniable. But climate and rainfall cannot be packaged and trafficked in, and so our forests are swept down by axe and fire.[2] A lighthouse might be absolutely essential on some dangerous promontory, but profit-making enterprise would halt if circumstances made it impossible to collect a toll from benefited ships.

[1] Veblen, *Theory of Business Enterprise*, p. 63.

[2] "We are complete savages in the management of water and forests. . . . We do not confine ourselves to leaving them uncultivated and in their primitive state; we bring the axe and destruction, and the result is landslides, the denuding of mountain-sides, and the deterioration of the climate. . . . How our descendants will curse civilization, on seeing so many mountains despoiled and laid bare!"—Fourier, *Théorie de l'Unité Universelle*, 1838, iii, 478, in Gide's *Selections from Fourier*, translated by Franklin, p. 109.

Even more serious is the loss entailed when the lure of profit attracts too large, rather than too small, a proportion of the community's working forces into particular channels. Conservative trust apologists have helped radical socialist critics to make the wastes of competition a commonplace in our thinking. The middleman is again under suspicion, as in the days when forestallers, engrossers, and regraters troubled the common weal. Within the classical school itself, Adam Smith's sweeping optimism[1] is balanced by Mill's admission[2] that competition may result not in price-cutting but in a war for a share of business on a fixed price level. Fourier particularly has denounced its wastefulness with a force and frequency not surpassed among later socialists. "We are," he declares, "as far as regards the industrial mechanism, as raw as a people who should ignore the use of mills and employ fifty laborers to grind grain which is to-day crushed by a single millstone. The superfluity of agents is frightful everywhere, and generally amounts to four times what is necessary in all commercial employments."[3] The contrast between the planless distribution of milk by a score of competing dealers serving a single street, and the systematic distribution of mail by a central authority, has grown hoary in socialist service.[4] Especially in the field

[1] "The prejudices of some political writers against shopkeepers and tradesmen are altogether without foundation. . . . They can never be multiplied so as to hurt the public, though they may so as to hurt one another." — *Wealth of Nations*, bk. ii, chap. 5, i, pp. 366–367, Bohn.

[2] "Competition has no other effect than to share the sum total among a larger number, and thus diminish the portion of each, rather than to lower the relative part obtained by this class in general." — Evidence, House of Commons Commission, June 6, 1850.

[3] Fourier, *Théorie des Quatre Mouvements*, pp. 373–377, in Gide, *Selections*, p. 104.

[4] "See how private enterprise supplies the street with milk. At 7.30 a milk-cart comes along and delivers milk at one house, and away again. Half an hour later another milk-cart arrives and delivers milk first on this side of the street, and then on that, until seven houses have been

of public utilities, where increasing returns are the rule, the waste of competition is obvious — in parallel railroads, competing gas-companies, duplicated electric light or power plants.

Competitive selling-costs bulk very large in the "cost of production" of all commodities. This is clearest in the case of advertising. To a varying extent modern advertising is doubtless informative, guiding and stimulating the wants of customers. But for the most part it is merely competitive, catering to existing wants.[1] Such advertising "does not add to the serviceability of the output, unless it be incidentally and unintentionally. . . . It gives vendibility, which is useful to the seller, but has no utility to the last buyer."[2] Conservative economists estimate this waste at half the selling-price in many lines.[3] In great part the work of office force and field force is equally void of social utility. Nor is the waste ended when the deal is closed: the Chicago manufacturer may have sold his goods in New York, and the New York manufacturer in Chicago,

supplied. Then he departs. During the next three hours four other milk-carts put in an appearance at varying intervals, supplying a house here and another there, until at last, as it draws towards noon, their task is done and the street is supplied with milk." — Elihu, *Milk and Postage Stamps*, I. L. P. tract.

[1] "The Hatter in the Strand of London, instead of making better felt hats than another, mounts a huge lath-and-plaster Hat, seven feet high, upon wheels, sends a man to drive it through the streets, hoping to be saved *thereby*. He has not attempted to make better hats, as he was appointed by the Universe to do, and as with this ingenuity of his he could probably have done; but his whole industry is turned to *persuade* us that he has made such. He too knows that the Quack has become God." — Carlyle, *Past and Present*, p. 122.

[2] Veblen, *Theory of Business Enterprise*, p. 59.

[3] "Such expense of advertising must, of course, add greatly to the cost of the goods to the consumer. It is probably not too much to say that in many lines it would be possible, if competitive advertising were rendered unnecessary, to furnish as good quality of goods to the consumers, permit them to pick their brands, and charge them only one half the prices paid at present, while still leaving to the manufacturer a profit no less great than that now received." — Jenks, *The Trust Problem*, p. 29.

so that the item of cross-freights, serious in bulky wares, is still to be reckoned. For further details of competitive waste, we have only to consult the latest trust prospectus.

Nowhere, the indictment continues, does capitalism break down more conspicuously than in the equilibration of demand and supply. Production in competitive society is planless and anarchical. Haphazardly scattered producers prepare to meet the guessed-at demands of world-wide consumers. The adjustment is never exact. At times it fails utterly, in the periodical crises which throw the industrial mechanism hopelessly out of gear. "Commerce is at a standstill, the markets are glutted, hard cash disappears, factories are closed, the mass of the workers are in want of the means of subsistence."[1]

The case for competition is no more favorable when we turn from quantity to quality of products. "Adulteration is a form of competition," was the frank apology offered by John Bright. The advance of science and original sin have made it possible to counterfeit almost every article of common household use, the more easily because of the lack of experience of the final purchaser.[2] Even in Tennyson's day "chalk and alum and plaster were sold to the poor for bread," and the wooden nutmeg had rechristened a state. But the amateur and unsophisticated efforts of half a century ago pale before the accomplishments of to-day, — the red raspberry jam which once was gelatin, aniline, and timothy seed; the prune-juice and fusel oil masquerading as whiskey; the chicory in the coffee and the pea-hulls in the chicory; the artificial oils in the flavoring-

[1] Engels, *Socialism, Utopian and Scientific*, translated by Aveling, p. 64.

[2] "The dilution and adulteration of food-products is a particularly easy path to profit because the ultimate purchaser has almost no power and very little intelligence. . . . Woman brings to her selection from the world's foods only the empirical experience gained by practicing upon her helpless family." — Charlotte P. Stetson (Gilman), *Women and Economics*, pp. 227–229.

extracts; the labels we drink at champagne prices; the shoddy we are clothed in and the paper soles we walk on; the "Corot" on our walls with its paint scarce dry.[1]

Nor is it only in the selling of commodities that this fraud is charged. "The genius of graft," declares a socialist satire, "manifests itself in nearly all branches of human activity. Wherever something can be got for nothing, wherever a pinch or a squeeze of extra profit can be made in a transaction, wherever falsehood can be made to do duty for truth, a pretense for accomplishment or service, there is observed a metamorphosis of the protean genius of Graft" — the petty graft of the hackman or waiter, of the loan shark or the quack physician or the shyster lawyer, of the fake installment trade or diploma factory.[2]

Even where the quality of the wares is honest enough, they have lost all semblance of art or seemliness. The craftsman's pride in his work has given place to the profit-monger's preoccupation with his ledger. The jeremiads of Ruskin and Morris on the lack of beauty and simple honesty in the goods of commerce are familiar. The same charge is brought against the stores where the wares are offered, "distorted, compressed to the narrowest, with no space for effect, with none to offer were there space to perceive it, with every line cut short at the end of its money-making power; with its tawdry best face forward, with no sides at all, and an unspeakable rear; with no regard what-

[1] Cf. Ghent. *Mass and Class*, p. 202.

[2] "The recent investigation and published report of the Charity Organization Society of New York City on the consumption-cure graft was thought by many persons to be the prelude to the complete annihilation of this swindle. These expectations have not been fulfilled. With that sublime audacity, energy, ingenuity, and initiative which our ethical teachers and economists tell us always bring their rightful reward under the competitive system, these therapists have extracted from the Charity Report the denunciatory passages, transformed them into commendations, and sown them broadcast. As a consequence the curer of consumption still sits at the receipt of custom, and enjoys the fruits of his superior abilities." — *Ibid.*, pp. 212–213.

ever for harmony with its neighbors; ugliness and selfishness, the ugliness of systematized selfishness."[1]

Financial fraud is rated more serious even than commercial. As credit and corporations count for more and more, the openings for manipulation widen. The way is clear for promotion, running the gamut from the downright swindle of the cent-a-share mining company to the latest graft of respectable over-capitalization. The company once formed, the divergence of interest between director and shareholder, temporary controller and permanent owner, tempts to all the thousand and one devices of manipulation. "Under the régime of the old-fashioned 'money economy,' with partnership methods and private ownership of industrial enterprises, the discretionary control of the industrial processes is in the hands of men whose interest in the industry is removed by one degree from the interests of the community at large. But under the régime of the more adequately developed 'credit economy,' with vendible corporate capital, the interest of the men who hold the discretion in industrial affairs is removed by one degree from that of the concerns under their management, and by two degrees from the interests of the community at large. The business interests of the managers demand not serviceability of the output, nor even vendibility of the output, but an advantageous discrepancy in the price of the capital which they manage . . . a discrepancy between the actual and the putative earning-capacity."[2] Testimony to the same effect is borne more specifically by the leading English financial authority, "The Economist," which declares its "conviction, founded upon long and bitter experience, that the small coterie of capitalists who control the railways of the United States look upon the investor as a mere pawn in the game they are playing for their own enrichment."

[1] Reeve, *Cost of Competition*, p. 492.
[2] Veblen, *op. cit.*, pp. 158–159.

The specific counts in this indictment of frenzied finance are beyond possibility of record.[1] Fresh in memory are that "artistic swindle,"[2] the looting of the United States Shipbuilding Company; the floating of the Asphalt Company of America, "a story of financial fraud and rottenness";[3] the "crime of Amalgamated" and other exploits of "the hellish System" — "in itself a stark and palpable fraud, but aggravated by the standing of the men concerned in it, and pledges that were slaughtered, into as arrant and damnable a piece of financial villainy as was ever committed";[4] the Chicago and Alton reorganization, the insurance scandals, the New York street-railway looting, the recent banking exploits of copper magnates and ice magnates. And the other deeds of the kings of finance, are they not written in the books of the muck-rakers and in presidential messages? "There has been in the past grave wrong done innocent stockholders," declared President Roosevelt, "by over-capitalization, stock-watering, stock-jobbing, stock-manipulation. . . . The man who makes an enormous fortune by corrupting legislatures and municipalities, and fleecing his stockholders and the public, stands on the same moral level with the creature who fattens on the blood-money of the gambling-house and the saloon. . . . The rebate-taker, the franchise traf-

[1] "In 1720 there was printed for W. Bonham, in London, 'an argument proving that the South Sea Company is able to make a dividend of 38 per cent for twelve years, fitted to the meanest capacities.' This was one of the first prospectuses ever issued, and the succession has been worthy of its ancestor: Spanish Jackass Company, Louisiana Bubble, South American Bonds, American Improvement Bonds, English Railways, American Railways, American Mines, South American Railways, Australian Railways, Rand Mines, American Industrials — John Law, Hudson, Barnato, Hooley, Gates, and Lawson. The line runs true. The Jackass Company still lives."— Meade, *Trust Finance*, pp. 136–137.

[2] Receiver's Report, cited in Ripley, *Trusts, Pools, and Corporations*, p. 201.

[3] Ripley, *Ibid.*, p. 229.

[4] Lawson, *Frenzied Finance*, p. 370.

ficker, the manipulator of securities, the purveyor and protector of vice, the blackmailing ward boss, the ballot-box stuffer, the demagogue, the mob leader, the hired bully and man-killer, — all alike work at the same web of corruption, and all alike should be abhorred by honest men." [1]

So much for the efficiency of the competitive system as a means of producing the greatest possible amount of useful material goods. Rated even in terms of goods and gear it is condemned. What is the loss and gain computed in terms of human life, what the conditions under which the mass of men labor to produce this wealth, what their share in the product and the consequent measure of material comfort and well-being attainable? Here the indictment becomes more serious and more passionate. For the vast majority, it is urged, competition and capitalism spell misery and failure, a precarious lifelong battle with hunger, stunted and narrowed development, premature death or cheerless old age. Long ago in Merrie England John Ball preached the contrast between lord and peasant, oppressor and oppressed: "Ah, ye good people, the matter goeth not well to pass in England, nor shall not do till everything be in common, and that there be no villeins nor gentlemen, but that we may be all united together, and that the lords be no greater masters than we be. What have we deserved, or why should we be kept thus in servage? We be all come from one father and one mother, Adam and Eve — whereby can they say or show that they be greater lords than we be, saving that they cause us to labor to bring forth what they consume? They are clothed in velvet and furs; we are dressed in poor clothes. They have their wine, spices, and good bread, and we have oat-cake and straw, and water to drink. They dwell in fair houses, and we have the pain and the toil, rain and winds in the fields. By the produce of our labor they keep and

[1] Special Message to Congress, January 31, 1908.

maintain their estates. We be called their bondmen, and without we readily do their w[illegible] be beaten."[1] And today, after five centuries of progress in civilization, with political freedom secured and the industrial system revolutionized, a calm observer can pass this damning verdict: "To me, at least, it would be enough to condemn modern society as hardly an advance on slavery or serfdom, if the permanent condition of industry were to be that which we behold, that ninety per cent of the actual producers of wealth have no home that they can call their own beyond the end of the week; have no bit of soil, or so much as a room that belongs to them; have nothing of value of any kind except as much old furniture as will go in a cart; have the precarious chance of weekly wages which barely suffice to keep them in health; are housed for the most part in places that no man thinks fit for his horse; are separated by so narrow a margin from destitution that a month of bad trade, sickness, or unexpected loss brings them face to face with hunger and pauperism."[2]

Considering first the conditions under which men earn their living, the socialist finds the majority sunk in "wage slavery." The capitalist's control of all the opportunities of labor gives him power more tyrannous than the slave-owner of old ever held. No legal bond compels the modern workman to labor for his masters, but the monopoly of the means of livelihood is stronger than any parchment right. The main difference between the old and the new slavery is that the modern slave-driver is under no obligation to keep his "hands" from starving. It is for the capitalist, and the capitalist alone, to decide when and where work shall be begun, who shall and shall not be employed, what the manner of working shall be. "The workman," declares Keir Hardie, "is finding out that he

[1] Froissart, *Chronicles*, chap. 381.

[2] Frederic Harrison, *Report of Industrial Remuneration Conference*, p. 429.

has but exchanged one form of serfdom for another and that the necessity of hunger is an even more cruel scourge than was the thong of the Roman taskmaster. . . . He has no right to employment, no one is under obligation to find him work, nor is he free to work for himself, since he has neither the use of land nor the command of the necessary capital. He must be more or less of a nomad, ready to go at a moment's notice to where a job is vacant. He may be starving but may not grow food, naked but may not weave cloth; homeless but may not build a home. When in work he has little if any say in the regulations which govern the factory, and none in deciding what work is to be done or how it is to be done. His duty begins and ends in doing as he is bid. To talk to a neighbor workman at the bench is an offense punishable by a fine; so, too, in some cases is whistling while at work. At a given hour in the morning the factory bell warns him that it is time to be inside the gate ready for the machines to start; at a set hour the bell or hooter calls him out to dinner and again recalls him to his task one hour later. He does not own the machines he manipulates, nor does he own the product of his labor. He is a hireling, and glad to be any man's hireling who will find him work." [1]

It is not only from lack of freedom that the modern workman suffers. The work which he does at another's bidding is drearily monotonous work. The factory system means for the average workman cramping and dispiriting routine, a pitifully limited horizon, the repression of all latent power not needed for the mechanical day's work. Individuality is sacrificed on the altar of efficient production. "The absorption of the whole working power of large classes by an ever minuter division of labor, unless balanced by increased freedom and leisure, tends to degrade the character of the worker, to injure the all-round development of his nature, and thereby to impair his

[1] *From Serfdom to Socialism*, pp. 76, 52–53.

facilities of enjoyment and non-industrial use. The dominance of specialized routine impresses the character of machine work upon the life, robs it of those elements of individuality and spontaneity which make existence rational and enjoyable."[1]

The factory system not only robs the workman of freedom and of interest in his task, the arraignment continues, but subjects him to exhausting and dangerous toil. The long hours which the greed for dividends wrings from the workers use up every ounce of vitality, prevent that rounded development which can come only with moderate leisure, and wear life out at such a rate that at fifty the victim must be discarded for a younger man, scrapped like outworn machinery. The danger of fatal or crippling accident is ever present, with small possibility of redress against the battalioned lawyers of the employer or liability company, and with certainty of distress and privation for the family whose breadwinner is helpless. "More men are killed and wounded every year by the railroads that employ them than were killed and wounded by General Lee's army in the sanguinary three days' conflict at Gettysburg; the coal-mines approximate fifteen hundred killings and thirty-five hundred maimings yearly, while the casualty list of the factories, though uncomputed, is known to be enormous. Yet every effort to lessen the number of

[1] Hobson, *The Social Problem*, pp. 11–12.

No stronger condemnation of the effects of division of labor, "unless government take some pains to prevent it," can be found than Adam Smith's: "The man whose whole life is spent in performing a few simple operations, of which the effects, too, are perhaps always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. . . . His dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social, and martial virtues." — *Wealth of Nations*, bk. v, chap. i, Bohn ed., ii, p. 302.

these casualties, so long as it involves expense, is resisted. . . . Life is but a bagatelle when it stands in the way of profit."[1]

Equally dangerous in the long run are the artificial and unsanitary conditions which prevail in the crowded factory. "We shall here merely allude," Marx declares in his chief work, "to the material conditions under which factory labor is carried on. Every organ of sense is injured in an equal degree by artificial elevation of temperature, by the dust-laden atmosphere, by the deafening noise. . . . Economy of the social means of production, matured and formed as in a hot-house, is turned, in the hands of capital, into systematic robbery of what is necessary for the life of the workman while he is at work — robbery of space, light, air, and protection to his person against the dangerous and unwholesome accompaniments of the productive process, not to mention the robbery of appliances for the comfort of the worker. . . . At the same time that factory work exhausts the nervous system to the uttermost, it does away with the many-sided play of the muscles and confiscates every atom of freedom, both in bodily and intellectual activity."[2]

For all the exhausting rigor and the gray monotony of his toil, the workman's greatest fear is lest he should lose it. Worse than want is the constant dread and fear of want, the harrowing insecurity caused by the perpetual menace of unemployment. "The position of the working class in modern society is so unbearable, and compares so unfavorably with every former method of production, not because the worker receives only a fraction of the new value produced by him, but because this fractional payment is combined with the *uncertainty* of his proletarian existence ; . . . because of the growing impossibility for

[1] Ghent, *Mass and Class*, pp. 234–253.

[2] *Capital*, i, translated by Moore and Aveling; Humboldt edition, pp. 260, 261.

the individual workers to free themselves from the double dependence upon the employing class and the vicissitudes of the industrial cycle; because of the constant threat of being thrown from one sphere of industry into another lower one, or into the army of the unemployed." [1]

And for this unremitting, maiming, and precarious toil, what share falls to the workingman when the time for the distribution of the joint product comes? What possibilities of decent and comfortable livelihood are placed at his disposal? So small a share, it is charged, that for the mass of the workers the existing order means lifelong poverty. What wealth is produced is distributed with gross and incredible unfairness. To the few, untold millions are given, unlimited command over the lives and services of their fellows, opportunity for boundless luxury and maddening display; to the many, a starving pittance which barely holds body and soul together and shuts out all hope of development and culture.

"In the United Kingdom," concludes a recent socialistic investigator, "out of a population of 43,000,000, as many as 38,000,000 are poor. . . . The United Kingdom is seen to contain a great multitude of poor people veneered with a thin layer of the comfortable and the rich. . . . In an average year eight millionaires die leaving between them three times as much wealth as is left by 644,000 poor persons who die in one year. Again, in a single average year, the wealth left by the few rich people who die approaches in amount the aggregate property possessed by the whole of the living poor. . . . About one seventieth part of the population owns far more than one half of the entire accumulated wealth, public and private, of the United Kingdom." [2] And even in the United States, with its comparative freedom from caste and inherited privilege, and its half a fertile continent to exploit,

[1] Bernstein, *Ferdinand Lassalle*, p. 135.

[2] Chiozza-Money, *Riches and Poverty*, pp. 43, 52, 72.

another socialist charges that ten million people are sunk in poverty, four million of them in receipt of relief.[1]

The fractional share of the national dividend which falls to the manual workers makes it impossible to secure any more favorable surroundings for the hours of leisure than for the hours of work. For the pittance that can go for rent there are available only drably hideous, overcrowded, and unsanitary dwellings. Take this picture of Manchester, the citadel of free competition, as seen half a century ago by Frederick Engels: —

> The manner in which the great multitude of the poor is treated by society to-day is revolting. They are drawn into the large cities where they breathe a poorer atmosphere than in the country; they are relegated to districts which, by reason of the method of construction, are worse ventilated than any others; they are deprived of all means of cleanliness, of water itself, since pipes are laid only when paid for, and the rivers so polluted that they are useless for such purposes; they are obliged to throw all offal and garbage, all dirty water, often all disgusting offal and excrement into the streets, being without other means of disposing of them. . . . As though the vitiated atmosphere of the streets were not enough, they are penned in dozens into single rooms, . . . they are given damp dwellings, cellar dens that are not waterproof from below, or garrets that leak from above. Their houses are so built that the clammy air cannot escape. . . . The view from the bridge is characteristic for the whole district. At the bottom flows, or rather stagnates, the Irk, a narrow, coal-black, foul-smelling stream, full of débris and refuse, which it deposits on the shallower right bank. . . . Everywhere heaps of débris, refuse and offal; standing pools for gutters, and a stench which alone would make it impossible for a human being in any degree civilized to live in such a district. . . . The whole side of the Irk is built in this way, a planless, knotted chaos of houses, more or less on the verge of uninhabitableness, whose unclean interiors fully correspond with their filthy external surroundings. . . . In truth it cannot be charged to the account of these helots of modern society if their dwellings are not more cleanly than the pigsties which are here and there to be seen among them. . . . My description is far from black

[1] Hunter, *Poverty*, p. 60.

enough to convey a true impression of the filth, ruin, and uninhabitableness, the defiance of all considerations of cleanliness, ventilation, and health which characterize . . . this district.[1]

Lest it be said that such clammy hideousness belongs to the pre-sanitary age alone, a socialist of to-day paints as black a picture of a quarter of twentieth-century Chicago — "back of the Yards":—

From the general air of hoggishness that pervades everything from the general manager's offices down to the pens beneath the buildings and up to the smoke that hangs over it all, the whole thing is purely capitalistic. . . . [One's] nostrils are assailed at every point by the horribly penetrating stench that pervades everything. . . . Great volumes of smoke roll from the forest of chimneys at all hours of the day, and drift down over the helpless neighborhood like a deep black curtain that fain would hide the suffering and misery it aggravates. The foul packing-house sewage, too horribly offensive in its putrid rottenness for further exploitation even by monopolistic greed, is spewed forth in a multitude of arteries of filth into a branch of the Chicago River at one corner of the Yards, where it rises to the top and spreads out in a nameless indescribable cake of festering foulness and disease-breeding stench. On the banks of this sluiceway of nastiness are several acres of bristles scraped from the backs of innumerable hogs and spread out to allow the still clinging animal matter to rot away before they are made up into brushes. . . . Tom Carey, now alderman of this ward, . . . owns long rows of some of the most unhealthy houses in this deadly neighborhood. These houses have no connection with the sewers, and under some of them the accumulation of years of filth has gathered in a semi-liquid mass from two to three feet deep. Shabbily built in the first place and then subjected to years of neglect, they are veritable death-traps. A cast-iron pull with the Health Department renders him safe from any prosecution.[2]

Such housing conditions as these mean low vitality and constant exposure to infection, and in view of the workers' inability to obtain the needed rest or change of air or expert attention, involve a death-roll out of all proportion.

[1] Frederick Engels, *Condition of the Working Class in England in 1844*, pp. 97, 49–53.

[2] A. M. Simons, *Packingtown*, pp. 2, 9–10, 18–19.

"The fact that an average town manual worker lives some fifteen years less than an average member of the well-to-do classes is, perhaps, the largest measurable leakage of social working power with which we are confronted." [1] It is on the helpless children that the penalty of their parents' failure in the race for wealth chiefly falls. "Capitalist society is sick with many sores," a recent socialist tract declares, "but of all the phases of its disorder none offer such sure portents of dissolution as the official statistics of infantile disease and death. . . . The bloodiest war that was ever waged dealt lightly with the human family in comparison with the toll of innocent lives unceasingly and unnecessarily offered up to Mammon in the twentieth century of the Christian dispensation. . . . 212 babies under one year died out of every thousand born in industrial Bromley as against 85 in suburban Hornsey, . . . 77 in prosperous Hampstead as against 163 in poverty-stricken Shoreditch. . . . Whether it be the industrial labor of mothers in dangerous trades or too near their confinement, the malnutrition of the children, the alcoholism or degeneracy in one or both parents, overcrowding with its attendant evils of overlaying and dirt, all alike are traceable to the inhuman condition into which millions of the workers are forced by the exploitation of their labor." [2]

What is the effect of competitive industrialism on moral life? Here again the tally against capitalism is marked deep in the socialist stick. "Next to intemperance in the enjoyment of intoxicating liquors," declares Engels, "one of the principal faults of English workingmen is sexual license. But this too follows with relentless logic, with inevitable necessity, out of the position of a class left to itself, with no means of making fitting use of its freedom.

[1] Hobson, *The Social Problem*, p. 10.

[2] Fisher, *The Babies' Tribute to the Modern Moloch*, Twentieth Century Press (S. D. P.), pp. 4–6, 15.

The bourgeoisie has left the working class only these two pleasures, while imposing upon it a multitude of labors and hardships, and the consequence is that the workingmen, in order to get something from life, concentrate their whole energy upon these two enjoyments, carry them to excess, surrender to them in the most unbridled manner."[1] The dull monotony of existence drives them to "boozing and gambling and allied forms of excitement," even though "in its ordinary relations the great bulk of the wage-earning class remains thoroughly permeated with common social morality."[2] German testimony is to the same effect.[3] The insufficiency of the wages upon which many a hard-working girl is supposed to keep body and soul together forces recourse "to the oldest trade in the world. Not till we measure [this element in wages] will the world know the true cost of 'cheap labor.'"[4] Family life becomes impossible, what with the absence of the father and often of the mother all day long, the frequency of marriage merely for the support which the woman cannot otherwise obtain, the promiscuity and crowding of the workers' homes. "Thus the social order makes family life almost impossible for the worker. In a comfortless, filthy house . . . a foul atmosphere filling rooms overcrowded

[1] *Condition of the Working Class*, p. 128.

[2] Sydney Olivier, in *Fabian Essays*, American edition, p. 113.

[3] "I believe that in the whole laboring class of Chemnitz it would be hard to find a young man or a young woman over seventeen, who is chaste. Sexual intercourse, largely the product of these dance-halls, has assumed enormous proportions among the youth of to-day." — Göhre, *Three Months in a Workshop*, pp. 202–203.

[4] Smart, *Studies in Economics*, p. 129.

"It is a well-known fact that in the department stores of the large cities girls are employed for the small sum of $3.50 per week. Even if they live at home without paying board they could not pay their car-fare and dress as well as they are obliged to do to hold their places. They are frankly told that they have other means of earning a living if they are not satisfied with the wages they get, and none will dispute me that most of them are obliged to use those means." — May Wa[illegible] K[illegible], *[illegible] and the Home*, p. 26.

with human beings, no domestic comfort is possible. The husband works the whole day through, perhaps the wife also and the elder children, all in different places; they meet morning and night only, all under perpetual temptation to drink; what family life is possible under such conditions?" [1]

And then society adds insult to injury by blaming on the individual the lapses its own perverse social arrangements have caused. "When we have bound the laborer fast to his wheel," comments Sidney Webb, "when we have practically excluded the average man from every real chance of improving his condition, when we have virtually denied to him the means of sharing in the higher feelings and larger sympathies of the cultured race; when we have shortened his life in our service, stunted his growth in our factories, racked him with unnecessary disease by our exactions, tortured his soul with that worst of all pains, the fear of poverty, condemned his wife and children to sicken and die before his eyes, in spite of his own perpetual round of toil — then we are aggrieved that he often loses hope, gambles for the windfall that is denied to his industry, attempts to drown his cares in drink, and, driven by his misery irresistibly down the steep hill of vice, passes into that evil circle where vice begets poverty and poverty intensifies vice, until Society unrelentingly stamps him out as vermin. Thereupon we lay the flattering unction to our souls that it was his own fault, that he had his chance, and we preach to his fellows thrift and temperance, prudence and virtue, but always industry, that industry of others that keeps the industrial machine in motion, so that we can still enjoy the opportunity of taxing it." [2]

The quotations given above fairly represent, it is believed, the tone and the content of the socialist indictment

[1] Engels, *op. cit.*, p. 129.

[2] *English Progress towards Democracy*, Fabian Tract no. 15, p. 7.

as it is presented in the current party literature. They scarcely do justice, however, to the powers of invective developed in the soap-boxer's nightly tirades, which rarely find their way into sobering print. As an illustration of the more extreme denunciation to which popular audiences are treated, and incidentally as an example of the capacities of the English language, the following outburst may serve; it was occasioned by the jury's finding Haywood, ex-president of the Western Miners' Federation, not guilty of the charges of murder in the Colorado labor war:

"Not guilty!"

What an immeasurable, imperishable victory!

What a glorious consummation of one united, heroic struggle of a nation's crucified toilers! What an awakening hope for the world's disinherited!

A million calloused hands snatched Haywood, the true, from the despoiler's gallows at the very hour when gathered together the wolves, the jackals, the vultures and vampires — scum and scurf of hell's outpouring — to slake their thirst in our brother's blood.

Knowing full well his impurchasable fidelity to his class and fearing his influence among their wretched victims, half maddened to revolt, every cunning tyrant and trickster in this greed-cursed nation, every snake-eyed Shylock smirking and hissing, exacting his "pound of flesh," every debaucher and exploiter of the weak and helpless, every prowler and panderer and plunderer of the nation, every loathsome apologist and cringing sycophant in press and pulpit, ear-deep in the mire, rooting for crumbs in their master's stall; every slave-driver, blood-sucker, and knee-crooking vagabond of this hell-born coterie of "law and order" pismires joined in a mighty wail as of all the fiends in hell in chorus for the blood of Haywood, as they cried for the blood of Parsons and his comrades some twenty years ago.[1]

Methinks the lady doth protest too much.

[1] J. Edward Morgan, *Chicago Daily Socialist*, August 8, 1907.

CHAPTER III

THE INDICTMENT CONSIDERED

THE indictment is a serious one. A social order against which such charges can be laid with any color of reason cannot be considered perfect by even the most easy-going of optimists. The socialist who focuses attention on the weak spots in the industrial structure performs a valuable service, lessened though the service may be by the wholesale and indiscriminating character of the denunciation. Candid recognition of the full extent of existing evils is the indispensable first step in progress and reform. Yet the indictment recorded fails to carry conviction to the impartial observer. It is beyond doubt one-sided and exaggerated, the truth it contains nullified by the truth it neglects. The socialist has painted existing conditions too black. He has grudged full recognition of the immensely strong points of our industrial system. He directs his shafts against a mythical extreme individualism, ignoring the restraining social forces implicit in the existing order, forces fully as characteristic as the scope and play which in the main are permitted to individual ambition and individual initiative. He has thrown the undivided blame for all the world's misery and failure on social institutions, on the tools men use, rather than on the limitations of the purely human men who use them.

The socialist has painted too black a picture. It is not merely that he has contrasted the dreamed ideals of socialism with the actualities of the competitive order; he has viewed those actualities out of all perspective. In his survey of society the one instance of failure is ever present to his gaze, the nine of success do not come within the

range of his misery-focused lens. He cannot see the woods for the few decaying branches on the trees. His ear is attuned only to inharmonies. He sees the reeking fester of the slum, but is blind to the millions of homes in city and town and country where hard work brings forth its fruits of modest comfort and life is held well worth the living. He is alert to the occasional failure in adjustment of supply and demand, but passes over the continuous miracle by which the products of the ends of the earth are brought to each man's door and the world's markets made one. He culls industriously the instances of graft and dishonesty in contemporary business life, no difficult task, and presents them as typical of current practice, forgetting the sound honesty of the majority that provides the drab background for the scarlet sins, forgetting that no enduring commercial structure can be built on fraud, that general honesty and fair dealing are absolutely indispensable to the working of our complicated and interdependent industrial system, that the fabric of credit that the past few generations have reared posits a general high standard of business ethics — not the perfect standard of the closet moralist, but a pretty presentable work-a-day approximation; that, in short, unless there existed a general expectation of squareness, born of experience, the operations of the exceptional crook would be impossible. He is like the yellow journal which mirrors, not life, but the exceptional sensation and crime that mar life; leaves John Smith in obscurity if for a lifetime he does honest work and devotes himself to his home interests, and exalts him to front-page publicity if on a day he loses himself in drink and murders half the family.

The socialist indictment gives but grudging recognition or none to the proved and tried efficiency of the existing order. Under an industrial system based on private property and individual competition, the most powerful and abiding force in human nature, self-interest, which includes

the interest in the wider self, the family, is harnessed in society's service. The prizes in the struggle — not mere heaped-up and hoarded dollars, but the prestige of success, the power that money gives, the opportunities of enjoyment or of service it opens — fall in the main to those who most widely and most efficiently have met the economic needs of their fellows. The price of success is alertness to seize on every uncatered opportunity; courage to break new trails; ability to make the process of production more efficient, the integration and adjustment of industry more thorough, the fitting of ability to task more complete; keenness to stop all leakages and wastes, unremitting striving to outbid one's fellows by offering most for least. "The stimulus of private property," wrote Arthur Young a century ago, "turns the sands to gold." It is not implied that personal interest is the sole force at the disposal of a society based on private property. Altruistic motives find ever wider scope. More and more under the existing order men are animated by the desire to serve their fellows, both in the day's work and out of the wealth a life of work has garnered. Never was the social conscience so keen, never was the sense of the trusteeship of wealth so widespread, never was the organization of philanthropy and public service so complete. But the effectiveness of the altruistic motive is no reason for disregarding the self-seeking spur to action. Both must be utilized. The task of meeting the needs of the millions who every day grow more ambitious in their standards and more insistent in their demands is too tremendous to make it possible to discard the instrument which has been found of most effective service. Individual ambition will always keep men's demands on life high. Individual ambition must be harnessed to keep the supply as high.

Individual initiative does not involve individual isolation. Its complement is voluntary coöperation. Stockholders in a corporation, artisans in a trade union, farmers

in a purchasing or selling syndicate seek the strength that comes from union. Mutual aid knits up the otherwise scattered and incoherent forces. Society must not be confused with the state. Compulsory coöperation is not the only alternative to individualist anarchy. Society is inexhaustibly fertile in its spontaneous groupings: religious, political, scientific, charitable, commercial interests draw men together in countless associations. We are caught in a thousand strands.

Nor does individual initiative in meeting economic wants involve a serious lack of adjustment between demand and supply. It might seem at first glance that without central supervision harmonious coöperation would be impossible, that the competitive system, faced for example with the task of the daily provisioning of New York or London, would break down under the task, alternating between unforeseen glut and unforeseen famine. But the miracle is every day performed. The fact is that in great totals chance is self-canceled; a defection here offsets an accession there. There is really nothing less arbitrary, less unpredictable than the sequences of social phenomena. Births and deaths, marriages and divorces, suicides and murders, the posting of letters without any address, occur year in and year out with remarkable regularity. And so with the affairs of trade and industry: without any conscious, centralized compulsion demand and supply approximate, not with exact precision, it is true, but without serious gaps in normal times. Even if we adopt the favorite socialist conception of society as an organism, it is to be remembered that the chief organic movements of the human body are carried on without conscious volition or reflection. If every breath, every heart-beat, had to be consciously and separately willed, neither the bodily nor the mental functions would be performed with much success.[1]

The mechanism by which equilibrium is secured between

[1] Cf. Leroy-Beaulieu, *Le Collectivisme*, p. 318.

the demand of widely scattered consumers and the supply forthcoming from independent producers is simply price variation. The oscillations of the money price of commodities act as a barometer for the producers' guidance. If an insufficient proportion of the productive forces of a country is engaged in cotton manufacture, the rise of price of cotton goods, or rather the increase of the margin between cost and sale price, indicates an opportunity for more than average gain, and new capital pours in until the equilibrium is restored. If too large a share is turned into the channel of boot and shoe production, the fall of price or profit effects the same adjustment. The purchasing power of the consuming public may not be fairly distributed, judged by some abstract principle of justice, may not be rationally directed, judged by some sociological canon of expenditure, but distributed and directed as it is, it secures in marvelous fashion, through the price oscillations of a competitive economy, the most efficient disposition of the productive forces. It is the very simplicity and familiarity of the mechanism of price variation which leads superficial critics of social institutions to overlook its remarkably efficient services.

The institutions of private property and individual competition are based, not on blind traditionalism or class oppression but on the experience which all the progressive races of mankind have attained of their social utility and their flexible adaptability to changing social needs. Private property has ousted the primitive communism which preceded it simply because it has been found to be the property form most conducive to industrial progress and efficiency. To-day, when the socialist is urging mankind to retrace its steps and set up once more the institutions it has outgrown, the Russian Duma acknowledges the superiority of private ownership by sweeping away the common landholding system of the Mir. Doubtless private property has its drawbacks, its wastes and its failures, but the test of

efficiency in any social institution is not the impossible one of unqualified perfection but the degree of service over cost, the net balance of advantage. So incalculably great is the driving force which the stimulus of private interest sup-

es that even such a thorough-going critic as Professor Veblen sums up his indictment of the social waste of much competitive effort by declaring: "While it is in the nature of things unavoidable that the management of industry by modern business methods should involve a large misdirection of effort and a large waste of goods and services, it is also true that the aims and ideals to which this manner of economic life gives effect act forcibly to offset all this incidental futility. These pecuniary aims and ideals have a very great effect, for instance, in making men work hard and unremittingly, so that on this ground alone the business system probably compensates for any waste involved in its working. There seems, therefore, to be no tenable ground for thinking that the working of the modern system involves a curtailment of the community's livelihood." [1]

The socialist indictment errs, therefore, in ignoring the strong features of a competitive system, its positive advantages, and stressing out of all proportion the weak points, the negative deductions. Yet what of these weak points, these unsocial tendencies charged against competition, the poisonous adulteration, the young children stunted at the loom, the careless waste of human life in the pursuit of material wealth? In or out of proportion, they are none the less real. No impartial observer of contemporary conditions can maintain that individual and social interests invariably coincide, that in the race for wealth only those succeed who have best served their fellows. The frequently dangerous and unwholesome tendencies of unregulated competition are a patent fact. The socialist error here lies not in any mis-statement of these tendencies but in the failure to recognize the counteracting forces at work. In

[1] *Theory of Business Enterprise*, p. 65.

many cases the self-interest of one section or group suffices to thwart the injurious tendencies of the self-interest of another group. And where this recourse fails, the power of the state may be invoked to hold the balance fair.

If our existing industrial organization were committed to a laissez-faire acceptance of the results, good and bad alike, of unregulated competition, the position of its socialist opponent would be a strong one. But fortunately for society such an extreme doctrinaire attitude does not prevail. Our existing society is not of individualism all compact. In it, as in every other society since time began, there have been combined the complementary forces of individual initiative and social control. They have been combined in varying proportions, now the one force dominating, now the other. Following the excess of state regulation in the early stages of modern industrial development, there came the excessive license of the early nineteenth century. The manufacturer was led by unenlightened selfishness to resist all restraint; the public was blinded to the human cost by the tremendous increase in material productivity; the economist, in his more doctrinaire moods, assumed a harmony of social and individual interest providential in its completeness. Yet the complacency was short-lived. The public came to realize that individualism pure and undefiled was at one with socialism in requiring for its successful working a perfected human nature. A new system of regulation aiming at raising competition to a higher level began to take shape long before the destruction of the old system of regulation, aiming at the repression of competition, approached completion. The first factory act, regulating the employment of apprentices, was passed in Great Britain in 1802, over fifty years before the protective tariff was completely overthrown. The pendulum still swings in the same direction. More and more the modern state is realizing its true function of raising the ethical level of competition, retaining the struggle while insisting that it

shall not be carried on at the expense of the weak and helpless. While it declines to follow the advice of the socialist and play the whole game itself, the state gives inestimable service by acting as referee.

The socialist complaint that under a régime of individual enterprise important utilities will fail to be provided because yielding no profit that may be privately appropriated would hold good against the mythical laissez-faire bogey it attacks, but has little application in the case of the actual state. Even Adam Smith's statement of the irreducible minimum of state functions included "the duty of erecting and maintaining certain public works and certain public institutions, which it can never be for the interest of any individual, or small number of individuals, to erect and maintain; because the profit would never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society." [1] The principle is a far-reaching one, and has guided and justified a wide programme of governmental encouragement to production and commerce as well as of social reform, from the provision of lighthouses to the provision of supervised playgrounds. Especially important has been the rôle of the state as the conservator of society's permanent interests. It is a rôle which has not always been assumed as promptly and played as whole-heartedly as might be desired; the tardiness of American governments in following European example in preserving the forests is a case in point, due in part, it is true, to the short-sighted hostility of private interest, but in part also to the difficulty of readjusting conceptions formed in the days of seemingly illimitable resources to the needs of a less sanguine and more thrifty time, and in part to the characteristic and crippling lack of initiative in state administration. Even where governmental intervention has been invoked to supply the lack of individual profit-making enterprise, it has

[1] *Wealth of Nations*, bk. iv, chap. ix, Bohn edition, ii, p. 207.

as a rule been made possible only by long agitation and pressure from without by individuals or voluntary associations.

The socialist complains that in the competitive struggle the weaklings are trampled on, and hastily cries out for the abolition of competition and the assumption of industrial functions by the all-wise and all-kindly state. The remedy actually applied has been the saner one of preserving competition while endeavoring to make the weaklings fit for the fray, training all to take a manful and intelligent part in the struggle for existence. In nearly every industrial state, though in greatly varying degree, the government supplements the efforts of the family and of individual and organized philanthropy to insure that every child grows up in sanitary surroundings, that he is given the cultural and vocational education to equip him for living as well as for making a living, that wholesome recreation facilities are brought within his reach, and that he is not prematurely swept into the industrial struggle, before, on its lowest terms, his full economic efficiency has been developed. Much yet remains to be done even in the most advanced countries; much to bring the more backward to their level; the very benevolence of modern society tends to complicate its problems by preserving many halt and weak who would otherwise have gone down in the fray; the immigration of countless hordes of peoples from the countries not yet organized on a competitive industrial basis — the factoryless paradises of southeastern Europe and of Asia, where the "blight of capitalism" has not yet seriously entered — into the capitalistic countries which they unaccountably prefer,[1] makes the task of training never ending.

[1] It is significant that the worst abuses to which the socialist can point are not properly chargeable to the capitalism he indicts. The horrors of the sweatshop are the result of the lingering survival of the primitive domestic or handicraft system; the much-abused capitalistic factory is free from the worst of the ills to which the isolated producer is subject. And at least so far as America is concerned, the low standards of living and

But it is a task which a competitive society must face or perish, and it is being manfully faced and encouragingly accomplished.

Competition, the socialist charges, may be carried on at the expense of the consumer, increasing the price he must pay for his wares and debasing their quality. The paradoxical assertion of increased prices is based on the assumption that the middleman is merely a parasite on industry, or, if his potential productive service is recognized, that too great a number of middlemen are engaged in commerce, with resultant expense for the consumers on whom they are quartered. The attitude is of long standing. In mediæval times the socialist's ancestor passed strict laws against the evil machinations of the forestaller and the engrosser who came between the producer and the ultimate consumer. The socialist of to-day suffers from the same inability to grasp the elementary fact that the utilities of time and space may be as real as the utilities of form and content. The merchant who brings the cloth to the consumer's town and stores it until the demand arises, performs as essential service as the rancher who grew the wool or the weaver who wove the yarn into cloth. When again, it is charged that free competition inevitably lures into commerce more merchants than are needed, the question turns on the measure of need, on the degree of specialization of function desired. Doubtless in any city it would be possible to exist with only half the present number of stores, possible even to concentrate custom on a single central establishment in each line, but it would be possible only by sacrificing the time and convenience of the thousands of customers, by throwing on the consumer part of the burden of storage and distribution which in a fully organized division of labor is assumed by the merchant. The gain would be as illusory as the gain of the

overcrowded conditions which excite compassion are chiefly to be found among newcomers from non-capitalistic countries.

busy professional man who would seek to economize by making his own shoes, or typewriting his own correspondence.

Or it is from adulteration and scamping of work that the consumer is said to suffer. Rivalry in price-cutting leads the more unscrupulous to sand the sugar and paper-sole the shoe; the anonymity and the continental scale of modern production, far afield from the conditions of handicraft days, when producer and consumer lived side by side and a care for reputation safeguarded quality, make it impossible to detect the fraud. The indictment has only too much truth, but here again it ignores the possibilities of remedy inherent in the existing system. To an increasing extent the self-interest of the producer effects a cure. Competition is at work not merely in price but in quality, wherever the credit for quality may be secured. The employment of distinctive labels and trademarks, the growing use of package-goods, brought to the consumer's attention by advertising, do away with the anonymity of production and protect the consumer by locating the responsibility. Of narrower range, but still important, is the allied protection which the union label affords in some lines, particularly against the danger of infection by commodities produced in unsanitary surroundings. Yet a third remedy is afforded by government inspection, analysis, and publicity, particularly adaptable to the cases where the average buyer is not qualified to make the necessary tests.

Or it is financial rather than commercial fraud which is emphasized. The investor, it is claimed, is as much at the mercy of the unscrupulous promoter as the consumer is at the mercy of the unscrupulous manufacturer; the anonymity of the joint-stock company cloaks as much rascality as the anonymity of consumption goods. The case is not so hopeless as is alleged. For the untrained investor there are always available safe, if not highly remunerative, opportunities for deposit or investment, whether in chartered

or postal savings-banks, or in the bonds of the more stable governments or industrial enterprises. In the more precarious undertakings, so far as the risk is due to fraudulent promotion or speculative management, it is as much the duty of the state to provide safeguard and punishment as in the case of highway robbery. It is a duty which every state has recognized and endeavored to fulfill, though with varying degrees of success: governments being no more uniform in virtue and efficiency than individuals, there is inevitably a wide range between the company laws of grafting American states which for value received are ready to grant letters of marque to all comers, and the laws of the more self-respecting commonwealths or of Britain or Germany. So far as the risk is due to the uncertainty of business enterprise, it is a risk which the investor must assume unaided; it is precisely this readiness of the private capitalist to venture his wealth in untried ways which is the mainspring of industrial progress and the chief justification of private property. The losses are insurance premiums against socialism.

The workingman, it is further charged, suffers even more seriously than the consumer and the investor under a competitive system based on private property in the instruments of production. We are given a harrowing picture of the present-day wage-slave cowering under the lash of the tyrannical capitalist, forced to accept long hours, low wages, and unsanitary working and housing surroundings, and condemned to lifelong monotony of toil. The picture suffers from that lack of perspective and proportion which results from the habitual socialist preoccupation with the failures rather than the successes of modern industrialism. It ignores the forces actively at work in our existing society to repress abuse of power on the part of the capitalist and to secure to the workingman his full share of the fruits of progress. The strength of the working class is threefold, in the employer's realization of the trusteeship his power im-

poses, in the intervention of the state to see that the game is fairly played, and in the self-help of trade-union organization.

In the first place no one who surveys the situation calmly would agree with the current socialist contention that every employer of labor grinds the faces of the poor, oblivious of the claims of his fellow men to fair treatment. A striking feature of contemporary social development is the growth of industrial betterment activities, whether taking the form of model villages, attractive factory surroundings, recreational and educational facilities, or profit sharing. The social secretary restores the intimate personal touch lost with the expansion of the workshop into the factory and the transformation of individual into joint-stock ownership. Hard-headed business men make once more the old discovery that decency pays even in dollars and cents. It is true that these welfare activities cannot, even if universally adopted, of themselves provide a solution of the relations between capital and labor satisfactory to our democratic age; they may even make matters worse, if inspired by fussy paternalism and the condescending charity of Lady Bountifuls, or if designed to take the place of wage concessions due or to break up labor organizations. Prompted, however, by a sympathetic recognition of the human needs and potentialities of the men and women employed, buttressed by experience of their financial expediency, and democratized by entrusting their operation as far as possible to the employees themselves, they hold high promise of social service.

Of more widespread importance is the intervention of the state. In country after country, as industrial development proceeds and experience of the evils that come with its gains compels action, codes of factory legislation have been formed which are virtually workingmen's charters. A national minimum of sanitation and of light and space is prescribed, the labor of children of tender years prohib-

ited, the hours of work of older children, women, and in many instances, men, regulated, safeguards against accidents and occupational disease demanded, the time and manner of payment of wages strictly stipulated. The stand is firmly taken that competition must not be carried on at the expense of the worker's health and vitality.

Yet neither the good-will of the better type of employers nor the intervention of the state does more than supplement the workingman's own efforts. Collective self-help is the most indispensable weapon in his arsenal. Under the existing industrial order it has become ever surer and more efficient. The typical modern workingman, labeled "wage-slave" in the heated rhetoric of socialist denunciation, is well equipped for the struggle to secure the largest possible share of the national dividend. Education has widened his horizon, the training and companionship of the factory or railroad have sharpened his perceptions, improved working and housing conditions have increased his stamina. Union with his fellow workers in local, national, and even international organizations has given to each man's labor something of the indispensableness of labor as a whole, has pooled scanty individual resources to provide reserves for strike or unemployment, and has placed at the service of all the bargaining ability and shrewder tactics of the few who forge to the front as leaders. Collective bargaining steadily makes its way; trade agreements between the representatives of organized capital and organized labor witness the coming of "the constitutional factory," the gradual democratization of industry by giving the workers a direct share in settling the conditions of their labor. Not even grafting or dishonoring of contracts by occasional labor leaders, nor the militant anti-unionism of belated reactionaries of the Parry and Kirby type, nor the eighteenth-century interpretations of freedom of contract still lurking in some judicial quarters, can permanently hinder or obscure the movement.

The rapid development of insurance to cover the principal contingencies to which the workman is exposed further arms him for his life-struggle. The isolated individual, deprived of the support of the old kinship groups or ecclesiastical organizations which would once have given succor in time of crisis, is liable to be crushed by sudden misfortune. Accident or prolonged sickness may incapacitate him for further work, unemployment may result from a general trade crisis or shift in fashion, his death may leave his family unprepared to grapple with the world. Fortunately, through the coöperative device of insurance, it has been found possible to redress the flukes of fate and to ease the burden by distributing it over a wide group.

It is not the place here to discuss at any length the merits of voluntary and compulsory insurance, or the question whether the cost should be borne by the workingman, by the employer, by the state, or jointly. It is coming to be agreed that disablement by accident or by occupational disease is a trade risk, and that the burden should be thrown primarily on the employer or employer-group, to be recouped, as all other permanent and universal costs are recouped, in increased prices. For the contingency of unemployment it is generally recognized that the trade organization, wherever it exists, is best able to judge of the genuineness of the workless man's plight, though it may be necessary for the local or national government to supplement the resources at its disposal. Where a system of public employment bureaus or labor exchanges enables the state to make the same test of the genuineness of unemployment, it becomes possible to establish a system of compulsory insurance, maintained mainly by the employers and the workmen affected. Sickness, old age, and death the workingman shares with the rest of mankind and accordingly there is less need for special consideration. There is indeed a tendency in some few countries which have established non-contributory old-age pensions to re-

lease the individual from all responsibility so far as providing for one at least of these contingencies is concerned, a tendency which may find regrettable justification in the concrete difficulties presented by the presence of millions of workers who have lacked the ability or the wish to save. Sounder, as taking the road of prevention rather than palliative, and keeping more in mind the interest of posterity, is the counter-tendency to help the individual to help himself, to insure that every man shall be able to earn and able to get a living and a saving wage, and then to leave him the burden and the moral opportunity of thrift, rather than to eke out starving wages by pauper doles. So far as the funds for state pensions come from the taxation of the working classes themselves, their gain is illusory, or at least no greater than the gain from compulsory individual saving; so far as the funds come from the employers and the general consuming public, better first than last, as just wages, not as pitying charity. The direct action of the government, where the more individualistic solution is adopted, is confined to supervising, and if need be supplementing, the joint-stock, mutual, and trade-union insurance and benefit organizations, the savings-banks and building-societies, and the many other instruments of thrift.

Such are the main agencies actually at work to enable the workingman to obtain and to hold his share of the wealth which the progress of science and the opening-up of new lands are producing in ever greater abundance. In face of the growing enlightenment of the employers, the state's insistence on refereeing the game, the trade union's unending pressure, the joint insurance against the crises of the individual's life, the socialist contention that the workers of to-day are but wage-slaves is seen to be the emptiest rhetoric. The employer and the workingman, each equally dependent in the long run on the other's coöperation, meet face to face as equal bargainers, now the one, now the other reaping advantage in the bargaining as the conditions

of industrial activity vary. It is true that large-scale production makes uniformity of rules and regulations inevitable: it is, in fact, the impossibility of each workman individually dickering as to the hours of beginning or ceasing work or the number of cubic feet of air-space allowed — an impossibility which would remain even in Mr. Keir Hardie's socialistic factory — that affords the justification of collective bargaining. To confuse individual conformity to rule with slavery, however, is utterly to misconceive the relation between law and liberty.

Nor do the further specific counts in this section of the socialist indictment possess any greater validity than the charge that the factory system spells slavery. It is undeniable that under the influence of the various agencies noted, long hours and unsanitary and dangerous working surroundings are rapidly becoming isolated exceptions. As for the monotony and the narrowing effect of machine labor, it should be borne in mind that if for the former artisan the machine sometimes means a cramping and paralyzing of skill, for the unskilled laborer it opens up fields hitherto unattainable. Even for the artisan, it is a tenable position that within the factory the companionship and social interests developed quite offset the loss in versatility and all-round activity involved in the passing of the autonomous but solitary handicraft, while the greater leisure afforded by the steady shortening of hours gives opportunity for the cultivation of outside interests. Again, the difficulty experienced by handicraftsmen, on the first extensive introduction of machinery, in adapting themselves to the new conditions, was a real and serious one, entailing untold misery. To-day, however, new inventions rarely produce such serious effects, since the similarity of the machinery used in many allied fields of industry, together with the growth of technical education, makes it possible for workingmen to change from one line to another, the more easily because not isolated, as the handicraftsmen often were, in

the country districts. The adjustment of supply and demand is effected not so much by actual displacement as by turning the new recruits into the growing industries and away from the decaying ones. Nor does the employment of women and youths necessarily involve the ousting, certainly not the diminished employment, of male adult labor. There is no greater proportion of women and children employed to-day than in our great-grandfathers' day; they have merely shifted the scene of their activities as one occupation after another, spinning, weaving, clothes-making, baking, butter-making, jam-making, has been sheared away from the primitive all-comprehensive functions of the home and converted into a specialized factory industry. And on the new scene the curtain is raised: the evils of overwork which passed unheeded in the domestic circle are recognized and corrected in the blaze of publicity the modern factory must face.

Turning from the problems of wage-earning to the problems of wage-spending, we are faced with serious presentations of the poverty of the mass of the people. There is necessity here for discrimination. The poverty which is merely lesser wealth is not greatly to be deplored. Inequality in wealth is not in itself an evil. Great fortunes may be open to attack on exactly the same ground as small fortunes, wherever, that is, they have been heaped up by fraud, by the financial magnate's manipulation of the corporate properties under his control or by the small tradesman's use of his thirty-five-inch yardstick. Inequalities in wealth which correspond to differences in enterprise, in industry, in thrift, can be leveled only at the cost of paralyzing production, and plunging the whole of society into an equality of misery. It is otherwise with the poverty that means positive degradation, the poverty in whose train follow overcrowding and disease, starvation of body and soul. Of such poverty there is only too much, especially in older lands. But, as has been pointed out above, the

pictures of poverty presented err grievously in perspective, an error which may be excused when the object is to rouse the careless to attention, but inexcusable when a calm estimate of the good and evil of the existing industrial system as a whole is being sought. The possibilities of decent living are increasingly brought within the reach of the vast majority. The stimulus of private enterprise has so perfected production as to lower prices of goods and services in nearly every line, and to bring within the reach of the many of to-day what were the luxuries of the few of yesterday. Private benevolence and public intervention have provided for all comers the school, the library, and the museum, the park, the playground, and the bathing-beach. If, with these facilities for meeting the most necessary wants, ends do not always meet, the responsibility is not wholly to be thrown on the insufficiency of wage-resources. Equally at fault, though unaccountably neglected by the socialist critic, is the misdirection of expenditure, the purchase of a gramophone when the larder is bare, and the shiftless waste which prevents whatever expenditure is decided on from giving its full service. Saner standards of consumption are as vital and necessary as more equitable standards of distribution. The lessening by half of the British drink-bill, or the injection into the average American household of the French qualities of ingenious thrift might work more improvement in the general welfare than the most pretentious scheme of industrial reorganization.

Nor should attention be confined solely to the material goods whose unequal sharing has been the burden of socialist complaint. The over-emphasis which socialism has placed on the material outcome of the competitive struggle is radically unsound. It is not merely dollars, many or few, that a man wins in life's battle. The struggle calls for and develops qualities of character of immensely greater significance. It is not implied that financial success is an unfailing index of moral strength; few Pittsburg millionaires

have been canonized. Yet by and large it is true that the industrial organization which makes each tub stand on its own bottom has by its disciplinary and selective action developed the homely virtues of industry and thrift, the qualities of insight and initiative which compel success. There is no monopoly in these goods of character. One man's more does not mean another's less.

It is also true that life's choicest gifts, love and honor and consecration to others' service, the glory of the sunset and the peace of the midnight stars, are goods not bought with a price, and goods as close within the reach of the cottage as of the mansion. Not that material goods may be dispensed with: it is necessary to live before it is possible to live well, and to offer to a man who asks for bread, free access to a gallery of old masters, is empty mockery. Starvation is as fatal to aspiration as surfeit. But once this minimum is secured, it rests with the individual to determine whether he will live for his neighbors' eyes or by his own, whether he will devote his means to competitive display and conspicuous waste, or will seek to develop his own personality. By all means let us strive to insure for every man and woman the possibility of making an adequate living, but do not let us forget, as the socialist, like the multi-millionaire, is prone to forget, that making a living is not living.

A final source of error in the socialist arraignment is the disregard of the outstanding facts in the relation of men to their tools. Neither the weaknesses nor the strength of human nature will ever permit this earth to harbor a flawless social order. The weaknesses of human nature will not permit it; however cunningly devised the institutions, the Old Adam will break through and wreak havoc. The Utopian fallacy dies hard, that hidden in some undiscovered Atlantis or shrouded in the mists of the future there may be found an ideal social organization which man, naturally perfect, will be able to work without creak or friction. It

is true of course that human nature is not an unvarying quantity, and that the reflex action of institutions on men is as important as the action of men on institutions. The current stress on the responsibility of society for individual ills marks a wholesome reaction from the atomistic attitude which threw on the pauper or the criminal the whole responsibility for his shortcoming. Yet, as is the way with reactions, it has already gone to an extreme, and at present we are in danger of losing sight of the responsibility of the individual by shouldering all the blame on that intangible and ungrieving entity Society, absolving A by holding B and C at fault and B by A's and C's neglect.

Nor will the strength of human nature, the ceaseless striving for betterment, any more than its weaknesses, ever permit this faultily faultless perfection. In the future as in the past progress must be rooted in divine discontent. The goal ever fades into the distance; every step upward opens new horizons; achievement always lags behind conception. If ever the voice of the critic is hushed, it will mean that society has attained not perfection but stagnation. That finality is impossible is no reason for folding the hands and acquiescing in the present ills, but it is a reason for disregarding the factious criticism which would have us scrapheap civilization because with all our progress there yet remain many a blot to be removed and many a manful fight to be waged.

CHAPTER IV

UTOPIAN SOCIALISM

I. THE UTOPIAN ANALYSIS

MODERN socialists, we have seen, are most at one in charging that the times are out of joint. As to how this evil situation arose and how it is to be set right, their variances are manifold, and a complete presentation would involve a study of a score of separate systems. The exceptionally important differences in theory and tactics between Marx and his immediate forerunners have, however, dwarfed the differences among the latter, and made it possible to classify them all in one group — the Utopians. The cleavage between Utopian and scientific or Marxian socialism is probably not so deep as has been contended by some exponents of Marxism, convinced that the date of the master's advent marks the year One of the Hegira from Capitalism; much that has usually been ascribed to Marx is found in germ, at least, among his predecessors. Yet the distinction is a convenient one and broadly justified, and accordingly it will be adopted as the basis of the ensuing discussion.

Utopian socialism is the connecting link between the bourgeois radicalism of the end of the eighteenth century and the proletarian revolutionarism of the nineteenth. Just as at its close it takes on a Marxian tinge, at its beginning it shades off into the iconoclasm of the French Enlightenment. The majority of the Utopian writers from Mably and Morelly to Fourier and Owen share the preconceptions which underlay the thinking of the political and religious radicals of their day.

Foundational was their belief that God, or Nature, had ordained all things to serve the happiness of mankind. Adam Smith's faith in the "invisible hand," or the Physiocratic assumption of "the settled course of material facts tending beneficently to the highest welfare of the human race," [1] is paralleled by Morelly's belief that Nature had aimed at the promotion of general happiness,[2] and by the declaration of Fourier half a century later that "God has done well all that he has done; . . . His providence would be imperfect if he had devised a social system which should not satisfy the needs and secure the happiness of every people, age, and sex."[3] From this belief there were deduced as corollaries the conceptions of codes and laws of Nature, somewhere hidden, and of natural rights which were every man's due by birth.

Yet everywhere misery and oppression and error reigned. Clearly the beneficent design of Nature had not yet been carried out. The explanation was that in the past, through ignorance or through knavery, men had created customs or institutions which prevented the natural tendency to progress and happiness from operating to its full extent. In the political sphere they had set up kings and nobles to be oppressors of their fellows, at best useless barnacles on the ship of state; in religion, priest-made superstitions bled men's purses and cramped their minds; in industry, gild monopoly and tariff privilege and the state's close check, grandmotherly at best, stepmotherly at worst, fettered and thwarted production and exchange. At the bar of individual reason, tested by the touchstone of Nature's law, these institutions one and all stood condemned. Diderot summed the indictment in a comprehensive challenge: "Examine all political, civil, and religious institutions with care; unless I am greatly in error you will discover that for

[1] Veblen, *Quarterly Journal of Economics*, xiii, p. 127.
[2] *Code de la Nature*, p. 26.
[3] *Le Nouveau Monde*, p. 31; *Manuscrits*, p. 129, in Gide, *op. cit.*, p. 48.

centuries the human race has bowed under a yoke imposed upon it by a set of rogues," [1] a passage which can be equaled in its dogmatism and its lack of the historic sense only by Cabet's declaration: "And yet how could the social organization escape being vicious, since it was the work, not of a single man and a single assembly creating a complete and coördinated plan, but of time, of successive generations adding piece by piece; not of reflection and discussion, but of chance or experiment; not of wisdom or experience, but of ignorance and barbarism; not of virtue and the desire to promote the happiness of the People, but of vice, violence, conquest, and the lust of oppression." [2] The conception of the continuity of history, the recognition of the useful functions which the institutions denounced had once performed in the world's economy, were foreign to the majority of the thinkers of this age.

The evils which arose in ignorance or knavery are perpetuated by the influence of circumstances and training. The belief in the all-powerful effect of environment which pervades the thinking of the whole school becomes an obsession with Robert Owen, forming the most important part of his theoretical stock-in-trade. "Any general character," he declares, "from the best to the worst, from the most ignorant to the most enlightened, may be given to any community, even to the world at large, by the application of proper means; which means are to a great extent at the command and under the control of those who have influence in the affairs of men. . . . Their predecessors might have given them the habits of ferocious cannibalism, or the highest known benevolence and intelligence." [3]

[1] *Supplément au Voyage de Bougainville*, *Œuvres*, ii.

[2] *Voyage en Icarie*, p. 308. Cf. Owen: ". . . the irrational principles by which the world has been hitherto governed [*New View of Society*, p. 25]; . . . the *invention* of religion, private property, and marriage . . . all founded in opposition to Nature's law" [*New Moral World*, i, pp. 129, 75].

[3] *New View of Society*, pp. 19, 91.

These "necessarian circumstantialist" [1] views were of great importance not merely for the theoretical analysis but for the projects of reform which Owen afterwards deduced.

The socialist and the individualist leaders of this time, it has been maintained, shared largely the same general preconceptions. The parting of the ways came with the specific deductions from these general assumptions. Both believed in an organization of society where Nature's forces should have free play; both fought against the customs and institutions in the existing order which prevented this free play. But to Adam Smith or Quesnay the ideal economic organization was production on a basis of private property and individual competition, with the minimum of state supervision; [2] the evils, the survivals of gild and mercantilist privilege which hampered the full development of this system. To Fourier or Owen or Cabet, the ideal was the socialization of property, in varying degrees; the evil to be combated, that very "obvious and simple system of natural liberty" on which their predecessors had set their hopes.

[1] Cf. the many-labeled characterization of Owen by Adin Ballou (Noyes, *History of American Socialisms*, p. 88): "In years nearly seventy-five; in knowledge and experience superabundant; in benevolence of heart transcendental; in honesty without disguise; in philanthropy unlimited; in religion a sceptic; in theology a Pantheist; in metaphysics a necessarian circumstantialist; in morals a universal excusionist; in general conduct a philosophic non-resistant; in socialism a communist; in hope a terrestrial elysianist; in practical business a methodist; in deportment an unequivocal gentleman."

[2] "All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other men, or order of men. The sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient: the duty of superintending the industry of private people and of directing it towards the employments most suitable to the interest of the society." —*Wealth of Nations*, Bohn edition, ii, p. 207.

Contradictory as these propositions were, they were equally natural, if not equally defensible, deductions from the common principles, applied to different industrial conditions. Adam Smith wrote in the days of handicraft; Robert Owen saw the light in his experience of the workings of large-scale capitalist production. The socialist agreed with his individualist brother that the interests of society and of the individual would prove identical, given the proper conditions and environment; he differed in bracketing private property with feudal privilege and tariff exaction as items in the conditions which must be held unfavorable, and buttressed his claim by pointing to the anarchy and waste which pervaded the societies dominated by individual competition. He upheld the natural right of every man to the full produce of his labor, but maintained that this right was as much infringed by capitalist appropriation as by feudal exaction, and that freedom of competition meant merely the freedom of the strong to exploit the weak.

The analysis here indicated was not carried out in very extended or systematic fashion by the Utopian writers. They preferred anathematizing the existing order to explaining it, and building the castles of the future to exploring the foundations of the past. It is possible, however, to present a general outline of the two systems, the Fourierist and the Saint-Simonist, which offer the most comprehensive analyses of modern industry.

Fourier and his school, in their explanation of the shortcomings of capitalism, laid stress chiefly on its inefficiency in production and exchange. The chief cause of the misery which prevailed was that not enough wealth was produced, or was produced only to be wasted in the process of distribution. For this failure in production they accounted, in the first place, by the fact that the bulk of society's disposable forces are not employed at all or are employed only in useless or destructive labor. Standing armies diverted hun-

dreds of thousands of the sturdiest youths from industry in time of peace and carried devastation broadcast in time of war; the idle rich made no pretense at production; legions of tramps, sharpers, prostitutes, thieves, were in open rebellion against society, as unproductive as the magistrates and police set up to protect private property against their depredations; lawyers and philosophical sophists and cranks were busied in sterile debate; armies of customs officials [illegible]s, and tax-gatherers were absorbed in collecting the [illegible] revenue from private individuals. All in all the [illegible] on the real workers made up two thirds of the population.

Nor were [illegible] engaged in useful industry marshaled to the best advantage. There was no attempt to fit capacity [illegible] opportunity given the young to discover in what [illegible] their talent lay and to train themselves for their life-work. Work was made repellent rather than attractive, [illegible] the best efforts of the workers were never called forth; the passions were repressed rather than utilized.[2] The scale of production was usually too small to permit economical utilization of the working force.[3] There was no coöperation between the different establishments in the same industry, no rational unified control of production to adjust supply to demand.[4] The family, which was the existing economic and educational unit, had neither the breadth of view, the disinterestedness, nor the permanence necessary for its task.

In yet a third direction Fourier sought the explanation of society's poverty — in the exploitation of both the producer and the consumer by the middleman. It is especially on Commerce that Fourier pours out all the vials of his

[1] Fourier, *Unité Universelle*, iii, 173–179; in Gide, *op. cit.*, 89–94; Considérant, *Destinée Sociale*, i, 56–61.

[2] Considérant, *op. cit.*, p. 100.

[3] *Unité Universelle*, iii p. 128 seq.

[4] Considérant, *op. cit.*, p. 63.

wrath: vampire, hydra, corsair, serpent, spider, are among the milder epithets applied.[1] The middleman, who should be the servant of the producer and consumer, has become their master, buying cheap and selling dear, levying tribute on the necessities of both. Hordes of superfluous merchants infest every branch of commerce, increasing the cost of all commodities by their insensate competition, economizing only by adulteration and trickery.[2]

Less stressed is the doctrine of the exploitation of the workers by the employers. Wage-labor, Fourier declares, is indirect servitude. There are but three methods of inducing men to work: the slavemaster's whip of the past, the attractiveness of work in the phalanstery of the future, and in the present the compulsion of misery and famine.[3] There is no solidarity of interests between master and man: the wage-workers form a floating population whose interests are antagonistic to those of the possessors of wealth and the instruments of production. The mechanism of their exploitation is not developed at length; passing references are made to the depression of wages by the increase of population, and the introduction of machinery.[4]

Little attempt is made to forecast the future by an investigation of the forces at work in existing society. The most notable contribution in this direction, that of Fourier, is as interesting in its contrasts to the later Marxian doctrine as in its likenesses. It differs sharply in being presented not as an inevitable development but as the alternative to the adoption of his own short-cut proposals; it is strikingly similar in being deduced as much from an absolute theory of historical progress as from a study of concrete fact. The theory, as developed at length by Fourier

[1] *Unité Universelle*, ii, 217; Considérant, 87, 93.

[2] *Nouveau Monde Industriel*, chaps. 43, 44; *Théorie des Quatre Mouvements*, 2d edition, p. 373.

[3] *Unité Universelle*, iv, 126; Considérant, *op. cit.*, p. 102.

[4] Considérant, *op. cit.*, p. 69.

and his closest disciple, Considérant, is simply the oft-recurring conception that the life of humanity is parallel to the life of the individual, passing through the stages of infancy, youth, maturity, and old age.[1] In each of these stages the same rise and fall are observable. At present we are in the first stage, and in the fifth of the eight periods into which it is divided — primitive Edenism, savagery, patriarchism, barbarism, civilization, guaranteeism, sociantism, and harmonism. This period, Civilization, is itself marked by the same rhythmic development: we are now on the down grade, the descending vibration, and consequently may expect to see developments analogous to those in the ascending period.[2] If present tendencies continue we shall see the establishment of a new feudalism, financial rather than military, following on the gradual concentration of wealth in the hands of a few and the increase of misery and helplessness on the part of the many.[3] The new barons would

[1] "Everything that exists, vegetable, animal, man, world, and nebula, is subject to one general law of life and death." — Considérant, *op. cit.*, i, p. 136.

[2] "The second part of the period, the ascending vibration, should be inversely analogous to the first, just as the two later periods in man's life present phenomena inversely analogous to those of the first two. I say analogous and not identical, for dawn and twilight, infancy and senility, the beginning and the end of all development, are analogous but not exactly identical. In accordance with this principle, deduced from the general theory of development established above, we may expect to see civilization, which has begun by feudalism, end in feudalism." — *Ibid.*, 189–90.

[3] "Masters of the field of battle, the great manufacturers, merchants, proprietors, who had marched at the head of the popular movement against the feudal nobility, constitute . . . a new power. . . . The power of great fortunes, multiplied by joint-stock concentration, by large-scale production, the employment of machinery, and the operations of great trading-houses, crushes a host of middle and small-sized producers and traders. . . . In our stage of civilization the proletariat and pauperism increase with the population, and faster still, as a direct result of the progress of industry. . . . All progress in the system of civilization is for the worse; prosperity brings an extension of the social cancer, and our industrial organization is a huge machine which makes poor and proletarians." — *Ibid.*, pp. 193–95, 250–52.

organize both manufacturing and agriculture in systematic fashion, putting an end to the anarchy that reigns to-day, and assuring subsistence to their dependents.[1] Then the state would step in, and the stage of guaranteeism would be in full swing, developing step by step into sociantism and eventually into harmonism, Fourier's perfect ideal. But, as noted above, this is only the worse alternative: thanks to Fourier's discovery of the associative system, it is possible to skip all the intervening stages and advance forthwith into harmonism.[2]

The analysis made by Fourier may serve as typical in essentials of the Utopian attitude. Saint-Simonism needs separate consideration because forming in many important aspects an intermediate step between Utopianism pure and undefiled and the scientific socialism of Marx and his followers. More clearly than any of the contemporary socialistic schools it shows the possibility of evolution from an orthodox liberalism to socialism. Saint-Simon himself never reached a position which can be properly termed socialistic. For the greater part of his stormy and restless life he fought as a soldier in the warfare against feudal and ecclesiastical privilege, championing the claim of the captain of industry and the scientist to the primacy justly forfeited by the noble and the priest. In this exalting of industrialism his position was very much that of his more famous disciple, Auguste Comte. In his further development he may be said to be akin to Carlyle, in the stress laid on the

[1] Cf. Ghent, *Benevolent Feudalism*, 19.

[2] Cf. a similar forecast in Pecqueur, *Des Intérêts du commerce, de l'industrie et de l'agriculture* (1838).

[From guaranteeism] "society will march rapidly toward the organization of the associative régime which we are about to describe, and which we can attain at once, without passing through the stages which separate us. . . ." Considérant, p. 217.

"We have seen the course that industry would follow in the event of real progress and anterior to the discovery of the passionate series. . . . As we are going to skip the sixth and seventh periods, and raise ourselves immediately to the eighth. . . ." Fourier, *Noureau Monde*, pp. 515–530.

necessity of central organization and expert direction to make the most of the industrial forces and the industrial opportunities of the new era, in the aristocratic hope of salvation from above, from heroes or scientific hierarchy, in the object set forth of "improving as rapidly as possible the lot of the poorest and most numerous class," and in the conception of an industrialism permeated by moral and religious ideals.

The school of Saint-Simon gave the master's doctrines a definitely socialistic extension. In their analysis of the existing order they advanced beyond his criticism of feudal exactions, and found the source of social ills in the persistence of private property, last and worst of the outworn privileges inherited from the past. The right of private property is simply the right to receive an income that has not been earned, the right to levy toll on the industry of others. The capitalist and the landed proprietor are the depositaries of the instruments of labor; it is their function to allot them to the real workers through the processes which give rise to rent and interest. They take advantage of their monopoly to force the workers to yield to them a share of the toil. The entrepreneur suffers from this exploitation in like manner, though not in like degree, with the workman of the rank and file. For the latter the capitalist's oppression is little improvement over slavery. "If the exploitation of man by man no longer bears the brutal aspect which characterized it in antiquity . . . it is none the less real. The workman is not like the slave, the direct property of his master; the terms on which he works are fixed by contract; but is this transaction a free one on the part of the workman? It is not, since he is obliged to accept on pain of death, reduced as he is to look for each day's food to the pay of the day before." [1]

[1] *Exposition de la doctrine saint-simonienne*, 6me séance. Pecqueur a few years later echoes the same complaint (*Théorie nouvelle d'économie sociale*), while in England Bray and Thompson, followers to some extent

Nor does the evil end here. Under a régime of private property, production is as badly organized as distribution is unjustly effected. For, as matters go, the allotment of control of the instruments of production depends on the hazard of birth. There is no guarantee that the men most fitted to direct industry will be given the opportunity; the partial and blind working of the custom of inheritance makes impossible any scientific adaptation of capacity to task. "No broad general views determine production: it is carried on without insight or foresight; here it brings glut, there it brings dearth. It is to this lack of a general view of the needs of consumption and of the resources of production that we must ascribe industrial crises. If in this important branch of social activity we see manifested so much disturbance and disorder, it is because the allotment of the instruments of labor is made by isolated individuals, ignorant at once of the needs of industry and of the men and the means capable of meeting those needs; here and nowhere else is the root of the evil." [1]

Saint-Simonism marks a notable advance over the average Utopian view in its firm grasp of the continuity of history. The future, it is maintained, is constituted by the last terms of a series of which the first terms make up the past, and from these earlier terms the later may be deduced.[2] Each period holds in itself the germ of its successor. Progress comes by the alternation of critical and constructive periods, the critical characterized by anarchy and unrestrained egotism, the constructive by obedience and order and unity of thought and action. We are now living in a critical age, but are to be led by Saint-Simonism into the ultimate constructive era; the spirit of association, which

of Owen, attempt to work out a doctrine of exploitation based on the Ricardian theory of value, their work, however, failing to produce any more direct effect than to help suggest to Karl Marx his theory of surplus value. Cf. Menger's *Right to the Whole Produce of Labour*.

[1] *Exposition*, etc., pp. 191–92.

[2] *Œuvres de Saint-Simon et d'Enfantin*, i, p. 122.

in the past has gradually won ground from the spirit of antagonism, spreading from the family to the city and the city to the nation, will become world-wide in scope and give the keynote to the dawning era: the aim of the future will be the exploitation of the globe by man associated with man. This transformation is inevitable, but inevitable only because the triumph of Saint-Simonist doctrine is inevitable; like all social transformations it is dependent on a philosophical development: "Every social régime is an application of a system, and consequently it is impossible to institute a new régime without having previously established the new philosophical system to which it should correspond." [1]

The most striking feature of the Utopians' position is the prevailing lack of understanding of the way in which social institutions are rooted deep in the life and character of a people. This failure to grasp the essential relativity of political or industrial systems to the whole environment leads, in their judgments of the past, to hasty and unmeasured condemnation of customs and institutions, if not in all things adapted to the needs of the present, as the inventions of fools or rogues. It leads, in their criticism of the present, to proposals for the sudden and sweeping abolition of the industrial system which the men of the western world have slowly and painfully wrought out to meet their needs and fit their powers. It leads, in their planning for the future, to suggestions for the erection of new social structures, built to scale from carefully worked-out plans, wherein every detail of front, rear, and side elevation has been provided beforehand. There is little conception of social growth and development: once Nature's ideal system is discovered it may be stereotyped without limit. Nothing can show more completely the difference between the preconceptions — or the prejudices — of their time and of our post-Darwinian day than the sentence quoted from

[1] *Œuvres*, xix, p. 23.

Cabet: "And yet how could the social organization escape being vicious, since it was the work, not of a single man and a single assembly creating a complete and coördinate plan, but of time, of successive generations adding piece by piece."[1] To the Utopian this was valid and serious criticism; to the men of the twentieth century it is sheer irony.

The analysis presented by Owen and Fourier is curiously dualistic. On one side they set up a perfect human nature, passions preordained to harmony; on the other, Satanic social institutions, on which rest the sole blame for the fall of man. Human nature is idealized out of recognition: the extent to which the social environment is but its reflex is overlooked. So far as the details of the analysis are concerned, there is much truth in the charges of waste and misdirection laid at the door of competition, but, as was suggested above, the complaints against the middleman, which form the gravamen of Fourier's indictment, are seriously exaggerated for lack of appreciation of the time and place utilities commerce confers.

The school of Saint-Simon does not share this lack of historic sense. Much of what is best in the Positivists' conception of the progress man has made through the ages and their appreciation of the provisional service rendered by the institutions of the past may be traced through Comte to Saint-Simon. Whether the development was ascribed to the proper forces is another matter: Saint-Simon overemphasized the power of ideas as much as Marx undervalued it. The exploitation theory of the Saint-Simonist school is based on as flimsy foundations as the doctrine of the more strictly Utopian sects. The claim that the possession of capital and of land enables their owners to take toll of the workers' product, to deprive them of part of the fruit of their labor, overlooks the elementary fact that this product is not solely the "workers' product," but is

[1] *Supra*, p. 34.

due to the coöperation of the land and capital borrowed as well as to the labor applied. To insist that the allotment of any share whatever of the product to those who have provided the instruments essential to its making constitutes exploitation, is indefensible. It may be that in specific cases the methods by which the capitalist and the landed proprietor acquired their properties have been questionable; that is a matter entirely aside from the question of the propriety of return to capital in general. It may be that the owners of the instruments of labor have used their power to extort an unjustly large share of the joint product, but this again is a matter for specific and individual discussion, and, in the absence of the possibility of determining the exact contribution each factor has made to the product, the interpretation of justice and injustice must turn on considerations which the Saint-Simonist doctrine does not raise. The criticism of the allotment of capital by the accident of birth and inheritance has more plausibility. Aside, however, from the qualifications to be made in view of the extent to which the use of credit in modern business and the prevalence of joint-stock companies insure capacity securing control of capital, it should be borne in mind that the institution of inheritance finds its social justification not merely in its effect on the distribution of capital but in the incentive it provides to the formation of that capital in the first place.

The root of the error in Saint-Simonist analysis is that it begins with the fund of capital goods already formed, instead of investigating the way in which the stimulus of private property and family solidarity has insured its steady accumulation. Nor is it enough to show that the present methods are humanly imperfect; it is necessary to show that better may be devised. And this, to his credit, the Utopian is always ready to attempt: there is no lack of ideal commonwealths proposed.

II. THE UTOPIAN IDEAL

From the spectacle of disorder and misery which the present order exhibited, the Utopian socialist turned with pleasure to the contemplation of the ideal commonwealth that was to be, "certain of the possibility of realizing a social organization which would universalize wealth, happiness, and harmony, unify mankind and elevate them to the highest degree of power, beauty, splendor, and glory . . . calm the suffering of the peoples, deliver the unfortunate from the anguish of hunger and misery and the fortunate from their egotism, and bring about a marriage upon earth between work and pleasure, between riches and kindly feeling, between virtue and happiness." [1] Across the Channel a brother enthusiast was announcing in modest circus-poster style that "a new heaven and a new earth are about to be opened to the astonished and wondering world." [2] No two of these visions of the future Eden agreed in detail. They may, however, be grouped into three main classes. The first group of ideal societies adopts the independent community as the unit of organization, and is characterized by the utmost scope for individual liberty; the other groups, one collectivist, the other communist, make the state the unit of organization, and exalt authority above freedom.

In the first group doubtless the palm for completeness of detail and marvelous minor ingenuities must be conceded to that half-mad genius, Charles Fourier. His ideal society is pictured with a gusto and a childlike faith which disarm criticism and with a coherence of detail that almost wins credence. The unit of organization is the phalanx, a community of 1500 to 1600 persons, devoted in slight degree to manufacturing,[3] but chiefly to agriculture, or rather horti-

[1] Considérant, *op. cit.*, ii, p. xxxii.

[2] Owen, *New Moral World*, i, p. 10.

[3] "God distributed only such an allowance of attraction to the work of manufacturing as corresponds to a quarter of the time that the associative man can devote to labor." — *Nouveau Monde*, p. 151, in Gide, p. 118.

culture and arboriculture. The community is housed in a great central building, the phalanstery, containing the workshops and the living-apartments, wherein the economies of consumption in common give comforts and luxuries unknown in the scattered households of the present. The communities are as far as possible self-contained, but exchange directly with one another their peculiar products.

It is in his method of organizing and stimulating production that Fourier is most original and most naïve. The force which should rule society, he has discovered, is the same force which holds the planets in order — attraction,[1] the free play of passion. For centuries moralists have condemned men's passions, whereas what they should have condemned was the artificial social environment which alone made those passions work for evil. Change that environment, put man in the phalanx for which God designed him, and the passions will be harnessed to society's service. Does the unregenerate man to-day find work repulsive? That is because the work is prolonged to monotony; the *papillonne* or butterfly passion makes him crave variety. In the phalanx he will engage by turn in six or eight occupa-

[1] "Chance counts for half in the success of a man of genius. . . . I myself paid tribute to it when I discovered the calculus of attraction. . . . An apple was for me, as for a Newton, a guiding compass. For this apple, which is worthy of fame, a traveler who dined with me at Février's restaurant in Paris paid the sum of fourteen sous. I had just come from a district where the same kind of apples, and even superior ones, sold for a half-liard, that is to say, more than a hundred for fourteen sous. I was so struck by this difference of price between places having the same temperature, that I began to suspect that there must be something radically wrong in the industrial mechanism, and hence originated the researches, which, after four years, caused me to discover the theory of series of industrial groups, and, consequently, the law of universal motion missed by Newton. . . . I have since noticed that we can reckon four apples as celebrated, two for the disasters which they caused, Adam's apple and that of Paris, and two for the services they rendered to science, Newton's apple and mine. Does not the quartette of apples deserve a page in history?" — *Manuscrits*, year 1851, p. 17, in Gide, *op. cit.*, p. 17.

tions a day, and find delight in all.[1] Do men intrigue and plot, and bow to green-eyed jealousy? Face the existence of the cabalist passion; admit that God did not implant so mighty a force in men's breasts without intending it to be used for good: organize the workers of the phalanx, or

[1] "The chief source of light-heartedness among Harmonians is the frequent change of sessions. . . . Let us delineate this variation by a table exhibiting a day of two Harmonians, one poor and one rich.

Lugas' day in the month of June.

Hours.

At 3½ rising, getting ready.
4 attendance at stable group.
5 attendance at a gardeners' group.
7 BREAKFAST.
7½ attendance at the reapers' group.
9½ attendance at the vegetable-growers' group under cover.
11 attendance at the stable series.
1 DINNER.
2 attendance at the rural series.
4 attendance at a manufacturing group.
6 attendance at the watering series.
8 attendance at 'Change.
8½ SUPPER.
9 attendance at resorts of amusement.
10 bedtime.

Mondor's day in summer.

Hours.

Sleep from 10½ in the evening to 3 o'clock in the morning.
At 3½ rising, getting ready.
4 court of public levee, news of the night.
4½ the *délite*, first meal, followed by the industrial parade.
5½ attendance at the hunting group.
7 attendance at the fishing group.
8 BREAKFAST, newspapers.
9 attendance at an agricultural group under cover.
10 attendance at mass.
10½ attendance at the pheasantry group.
11½ attendance at the library.
1 DINNER.
2½ attendance at the group of cold green-houses.
4 attendance at the group of exotic plants.
5 attendance at the group of fish-ponds.
6 luncheon in the fields.
6½ attendance at the group of merinoes.
8 attendance at 'Change.
9 SUPPER, fifth repast.
9½ attendance at court of the arts, ball, theatre, receptions.
10½ bedtime."

— *Nouveau Monde*, pp. 67–68; Gide, pp. 167–168.

rather let them organize themselves as their preferences dictate, in countless series and groups, — the series consisting of men joined together by identity of passion for some activity, such as the cultivation of a fruit, and the groups of the subdivisions devoted to each variety of this fruit, — and set these series and groups in rivalry one with another, let them intrigue and cabal to heart's content in their striving to surpass their fellows.

Is self-interest the bane of our present order? Accept it, and so contrive a system of distribution that it shall be harmonized with the collective interest. In this plan of distribution Fourier is less radical than many of his successors. To a certain extent, it is true, he adopts the principle of distribution according to need, assigning every member of the community a minimum of consumption goods, irrespective of merit or demerit, relying on the attractiveness of phalanx labor to prevent malingering. But in the main he favors a complicated system of payment in proportion to services rendered. The share of each series in the communal dividend varies directly with its importance in fostering harmony and inversely with the pleasurability of the work. This share again is divided into twelve parts, of which five are assigned to labor and four to talent — the number of points each member in the service should be assigned under each head being fixed by the exact and watchful appreciation of his fellows — and three are assigned to capital, for Fourier permits both private property and interest, within the limitations of associative use. Every member of the phalanx is to work in several series, so that it is not to his interest to demand an unfair share for any one, and receive remuneration under each of the heads of capital, labor, and talent, in the different occupations, so that he has no motive for objecting to the proportions assigned. Throughout, the phalanx is substituted for the family, on the one hand, and the state, on the other, as the unit of organization. To the family, especially, Fourier assigns a very minor rôle; in

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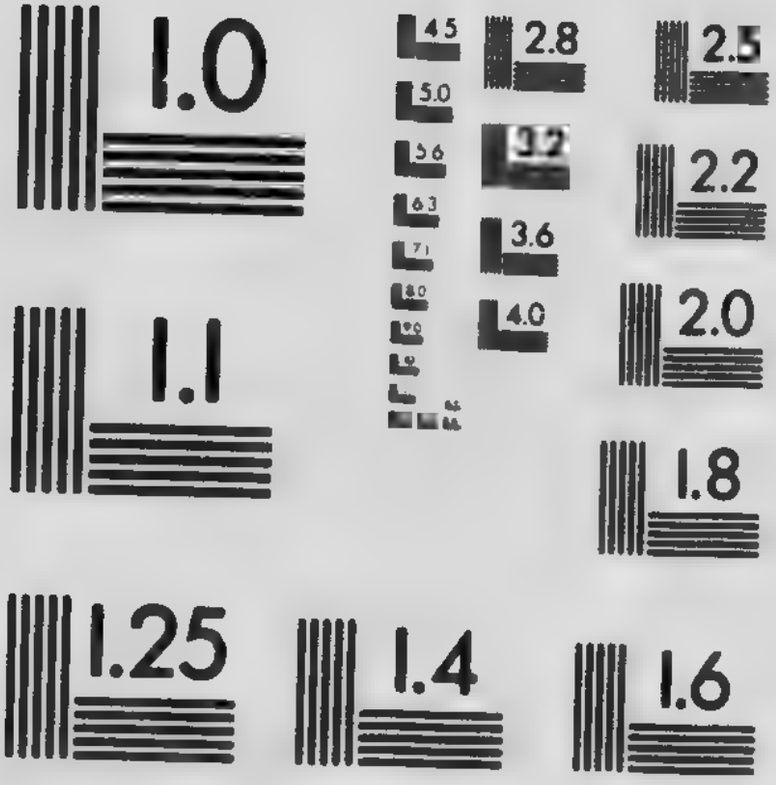

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strict conformity to his doctrine of the sovereignty of passion and attraction, he develops a thoroughgoing system of free love; the woman of the future, assured of economic support, is to be left free to choose permanent marriage, temporary marriage, or promiscuous intercourse.

Robert Owen's busy life afforded little of the solitude in which Fourier spun dreams. By contrast his proposals are bare and crude. Like Fourier he advocates as the unit of organization a community, varying from five hundred to three thousand members, engaged in both agriculture and manufacturing and united in voluntary federation with the tens of thousands of similar communities that are to cover the civilized world and make the ancient state organizations superfluous. In this community there is a division of labor based on age: from the third year, when the parents resign charge, to the twentieth, the younger generation are receiving that formative education on which Owen's environment theories led him to lay such store, an education increasingly industrial in character towards the close of the period; the young men from twenty to twenty-five perform the bulk of the productive work, those from twenty-five to thirty the distribution, while the men of thirty to forty manage the interior administration and those above forty the external dealings of the community.[1] Private property vanishes entirely; the rule of distribution is to be stark equality.

The other socialist schools, while equally convinced that men were predestined to perfect happiness on earth, found more need for authority in the mechanism by which that happiness was to be secured. Doubtless Nature had planned an ideal commonwealth, but not a self-propelling,

[1] *Outline of the Rational System.* Cf. *New Moral World*, i, 221, for another arrangement: domestic duties to the age of twelve, production of wealth from twelve to twenty-one, its preservation and distribution from twenty-one to twenty-five, forming the character of the rising generation from twenty-five to thirty-five, government from thirty-five to forty-five, and thereafter the search after new knowledge.

self-adjusting one. It might be necessary to compel men to be free. Authority implied organization and organization the centralized state, so the state rather than the commune provides the framework of their New Jerusalems.

Saint-Simon, too thorough an aristocrat to doubt that the organization of society must come from above, had preached an aristocracy of capacity to succeed the played-out aristocracy of privilege, scientists and captains of industry replacing prelates and feudal lords. The organization which his followers proposed, developing his ideas, was designed to complete the work of the Revolution in opening a career to talent, to adjust capacity, task, and reward in the most scientific manner possible. All artificial inequalities must be removed, especially the handicap imposed by the institution of private inheritance and the consequent unfair start given a few of the competitors in life's race. The state is to be the final owner of all the means of production, the universal successor; the individual is to enjoy only a life-interest in the share assigned him. An elaborate hierarchy will study the capacities of all children, train them for the occupations for which they seem best fitted, and start them out with the equipment necessary for the chosen career.

It is grudgingly conceded that this amateur providence may occasionally be mistaken, but on the whole its ability, disinterestedness, and elevation above the cramping details of specific industries will enable it to marshal the state's working force to the best possible advantage: if a man does not obtain the instrument of labor which he desires, it is because the authorities, competent men, have recognized that he is better able to perform some other function. To secure the solidarity and enthusiasm essential for smooth working, the centripetal force of religion is to be employed, the state to become a church, with a New Christianity preaching positivism, the rehabilitation of the flesh and the sanctity of labor. The allotment of

work according to capacity is complemented by payment according to merit.

There were still inner citadels of privilege unstormed. Robespierre had fought against the inheritance of the privileges of rank, the Saint-Simonist fought against the inheritance of the privileges of wealth; Cabet, following Morelly and Babeuf, pushed the demand for equality further and sought to counteract the inheritance of ability.[1] The state towers higher and higher above the dead level of citizen equality: the state through its officials, elected by the people at large or by each industry, or selected by rotation, decides what and how much shall be produced, trains the workers and assigns their duties, sometimes permitting a measure of choice tempered by competitive examination. The centralization of production and the abolition of money involve distribution of reward by a system of barrack rationing and throw into the hands of the state the power of determining consumption in the most minute detail. Equality drabs into uniformity: Babeuf will have all eat the same amount of the same kind of food; Cabet ordains that all individuals in the same station shall wear the same kind of clothing, graciously permitting blondes and brunettes, however, to wear different shades, and ingeniously attempting to combine the economies of large-scale ready-made production with comfort by arranging that all suits, hats and shoes shall be made in four or five different sizes, of elastic materials, so that they will fit several persons of different height and size.[2] The same spirit is

[1] "And you make no distinction for ability, intelligence, genius? — No; are they not merely gifts of Nature? Would it be just to punish in any way him whom fortune has meanly endowed? Should not reason and society redress the inequality produced by blind chance? Is not the man whose superior ability makes him more useful fully recompensed by the satisfaction he derives from it?" — Cabet, *op. cit.*, p. 102.

[2] *Ibid.*, p. 59, Cabet continues: "All the houses in the city have absolutely the same interior, . . . they are, however, of three different sizes, with three, four, or five windows in front, for families below twelve,

manifested in the treatment of science and letters; the state is sole printer, and of course "the state prints none but good books"; so infallible is its censorship that it even burns all the ancient books which are considered dangerous or useless, differing, however, from Omar burning the library of Alexandria in that it was acting in humanity's interest instead of against it: "we light our fires to burn wicked books, while the brigands and fanatics lit theirs to burn innocent heretics."[1] No serpent must be allowed in the communistic Eden: when mankind has found the right path again, it must never be permitted to run the risk of straying back into the wilderness of individualism.

But it is useless to follow further the details of the ideal commonwealths devised by the socialists of this early day. Postponing for the present a discussion of the points the Utopian proposals possess in common with later socialist schemes, it may be worth while at this juncture to consider very briefly their distinctive features. Foremost is the assumption that it is necessary and possible to work out beforehand in the most minute detail a scheme for the complete ordering of our industrial affairs. Undoubtedly it is legitimate, in fact it is imperative, that the propounders of the new social dispensations should attempt to grapple with the most important problems their proposals involve. But in this laudable endeavor the Utopian goes to a meticulous extreme, laying down rigid specifications for every contingency, omitting no least detail. Human nature is

twenty-five, or forty persons respectively. When the family is still more numerous, as often happens, it occupies two contiguous and communicating houses; and as all the houses are alike the neighboring family ordinarily gives up its house voluntarily and takes another, or the magistrate compels it to do so, unless the quiverful family can find two other houses vacant. In this case, the furniture being exactly the same, each family takes nothing but a few personal effects and leaves its house all furnished to take another furnished equally well."

[1] *Ibid.*, p. 127.

abstracted into a dependable regularity. No room is left for spontaneous growth. The long-sought social order leaps complete from the brain of its deviser.

The plans of Fourier and Owen agree in making the small autonomous community the unit of organization. Whatever partial justification the extension of municipal activities has given this emphasis on the commune, the passage of time has only brought into clearer relief the impossibility of the plan in its wider aspects. The large-scale industry of to-day has far outgrown the bounds of the phalanstery; spontaneous coöperation links men in nation-wide and world-wide interdependence; at the outset the new society would be compelled to forfeit half the advantages and economies open to competitive industry. The difficulties involved in arranging the commercial relations between these independent communities are not clearly realized; inequality and competition will not be stamped out of the world merely by making the community, instead of the individual or corporation, the business unit. In his provisions for the organization of production Fourier makes many acute suggestions, but the fantastic psychology on which his main proposals rest is a very unstable base for any industrial structure, while its ethical implications include the utmost sexual license and the degradation of the family. In the free play given to passion, the doctrine of laissez-faire is carried to its most indefensible extreme. Fourier, it is true, has put his finger on a weak spot of modern industry by his indictment of the monotony of toil, but the solution is to be found, it is being found, in the better fitting of capacity to task which universal education makes possible, in the improvement of the working environment, and in the opportunity shorter hours afford of utilizing leisure at one's will, rather than in the organized dilettanteism, the perpetual kindergarten playing at work, the lack of adequate training and discipline implied in his phalanx dream.

Nor is the plan of distribution any more practicable,

in spite of its dovetailed ingenuity and its frank recognition of the services of capital and of expert ability; though the proportions to be assigned to labor, to capital, and to talent are fixed, the decision as to what degree of talent and what diligence of labor each has shown is confided to the impartial and scientific appraisement of his fellow workers. Fourier at least deserves credit for attempting to solve the problem of socialist distribution; Owen and the majority of the communists simply cut the Gordian knot by assigning equal shares to all, — meeting the difficulty of distribution by an expedient which removes all stimulus to excellence and renders doubly serious the problem of production.

The Saint-Simonists and the communists of the Cabet type show greater discernment in insisting that the organization of industry must be state-wide. That it should be state-directed they do not demonstrate so successfully. The aim of the former school, to open all careers to talent, to prevent any man of promise from being hopelessly handicapped in life's race by the barriers either of economic or of political privilege, is eminently sound, an aim which has been shared by all liberal schools of thought. Doubt and divergence come with the means proposed for attaining that end. The Saint-Simonist looks for salvation to an inspired bureaucracy gifted with miraculous insight into human potentiality and miraculous freedom from graft or favoritism. So heavy is the draft which this proposal makes on credulity that the Saint-Simonist felt compelled to devise a social religion to make the system work, inspiring the chiefs of the hierarchy to the height of their great task and keeping in submission the lowly rank and file, the rejected who but for the soothing influence of the new religion might occasionally be led to question the unerring wisdom and impartiality of their rulers. The recourse to this expedient was an unconscious confession that, with men and women as they actually are, success could not be ex-

pected. No one who understands the priceless worth of freedom will subscribe to the plans of any theorists who hastily and in despair of the slow and steady methods of practical reform propose to sacrifice liberty to win a machine-like efficiency. And if for this reason Saint-Simonism, with its many redeeming flashes of historic insight and high intention, failed to appeal to the world, much more deserved and decided has been the rejection of the Babeuf or Cabet proposals of a drab and tyrannous communism.

III. THE UTOPIAN TACTICS

What plan of campaign should the enthusiast adopt who believed that the world as it was was hell and the world as it might be, heaven? How bridge the gulf? "What is to be done when one knows that it would be possible and easy for men, *if they only listened a moment*, to change into cries of joy, into songs of love and thanksgiving, the tears and groans of the peoples who from pole to pole are bowed beneath the yoke of every misery, distracted by every suffering? What is to be done?"[1]

It was clear that there were several paths which the socialist who had made the analysis presented in the preceding sections would not follow. He would not fold his hands in patience, waiting till the forces immanent in the existing society should work out his ideal system: the conception of development was foreign to him, or presented itself, as to Saint-Simon, as dependent on the working-out of a new intellectual synthesis, or, as to Fourier, only in the light of a discarded alternative, a long and painful course rendered unnecessary by the short-cut of his discovery. He would not seek his goal by conflict, by setting up class against class, for were not all mankind joint, if not equal, sufferers from the existing evils, and jointly interested in the establishment of the new order? Even those who laid stress on

[1] Considérant, *op. cit.*, ii, p. xxxii. The italics are in the original.

the fact of the exploitation of the poor by the rich did not think of finding the remedy in combined effort by the exploited class to throw off the yoke: the Saint-Simonists who saw class conflict everywhere in the past and persisting in the present, saw in it only an evil to be removed, not, as Marx was later to contend, the instrument of betterment. So the Utopian rejected an appeal to arms, because as unnecessary as it was inexpedient, with all the best cards in the hands of the government, — "the governmental organization, the legislative and executive power, the treasury, the army, the tribunals, the police with their thousand means of dividing and corrupting," [1] — and rejected also an appeal to the ballot-box, the arraying of class against class on the field of politics.[2]

There was one course open and one only — peaceful persuasion, untiring effort to carry the new evangel to a waiting world and induce men by the compelling power of truth and reason to accept it. Out of ignorance men had gone astray; by enlightenment they would find the path to paradise again. "If only men would listen for a moment!" Set the possibilities of the new order before them, point the contrast with the impossibilities of the old disorder, and justice and self-interest alike would compel all men to accept the good tidings. The rich would be as eager as the

[1] Cabet, *op. cit.*, p. 561.

[2] Cf. Owen, *New Moral World*, iii, 286: "The Socialist relies on reason, intelligence, and moral power as the means for the establishment of his plans; the Radical looks to the concentration of the physical strength of the people as the means of overawing the privileged classes and carrying his views. The Socialist would first bestow on all plenty of every requisite for the physical wants of man and a rational education, that thence may spring harmony of opinion and rational conduct. The Radical would give power first, leaving the people to take the chance of a thousand crude and discordant nostrums, by which they might be long bewildered and slowly benefited. The Socialist projects an edifice complete in all its proportions and calculated to satisfy the whole intellectual, moral, and physical faculties of human nature before beginning to alter; the Radical would pull down, leaving to the direction of chance what may follow next."

poor: "it will be the essence of wisdom in the privileged classes to coöperate sincerely and cordially with those who desire not to touch one iota of the supposed advantages which they now possess; and whose first and last wish is to increase the particular happiness of those classes as well as the general happiness of society: a very little reflection on the part of the privileged will insure this line of conduct." [1]

Rarely has faith found more zealous apostles. Owenite and Saint-Simonist, the follower of Fourier and the follower of Cabet, vied in the eagerness with which they recruited disciples and founded new centres of propaganda, corresponded, lectured, edited journals, multiplied pamphlets and popular expositions. Their chief method of propaganda, however, was experiment. The readiest way to convince mankind of the feasibility of the new proposals was to put them into execution on a small scale, to set up "duodecimo editions of the New Jerusalem," as Marx slightingly put it later, and by the radiant success these experiments would attain demonstrate the possibilities of wider extension.[2]

Naturally this method found readier favor with those whose ideal unit of ultimate organization was the small, independent community than with the advocates of state control, but even the Saint-Simonists dallied with experimental workshops where men were to be employed according to their capacity and rewarded according to their

[1] Owen, *New View of Society*, p. 26.

[2] "What do we ask? Do we ask for power, authority, force? . . . No, we do not ask that the whole state should be confided to our hands to apply our theories to it by act of authority: we ask an experiment in a corner of the world, a test of the associative mechanism, carried out on a few hundred hectares of land, by a small capital conquered to our convictions; we do not wish to rule society by compulsion, we wish to enlighten it by an experiment, to prove to it by an achievement which would compromise no existing interest that our social organization is capable of satisfying every social interest, every need, and that without imposing any yoke of compulsion." — Considérant, *op. cit.*, ii, p. xiii.

work, and Cabet, after a sensible protest,[1] succumbed to the prevailing enthusiasm.

Enthusiasm and apostolic fervor were, however, expended in vain. Propaganda by exhortation scored no permanent success, led to no persistent, organized movement. The brilliant band of Saint-Simonists, including many men destined afterwards to win fame in the humdrum bourgeois society they had attacked, dwindled by one secession after another, due to personal or doctrinal disputes, and finally broke up in a cloud of disgrace incurred by the vagaries of Enfantin's gospel of a female Messiah and the rehabilitation of the flesh. Fourierism flashed into wide popularity after the Saint-Simonist fiasco, and then disintegrated, leaving no more substantial result than a stimulus to profit-sharing experiments. The hundreds of thousands of disciples whom Cabet had one time claimed found other channels for their discontent in the revolutionary struggles of '48 or were disillusioned by the fate of the American Icarias. What was soundest in Owenism contributed a notable share to the factory legislation, popular education, and coöperative movements: Owen himself wandered into the wilderness of spiritualism and attacks on marriage. The sects and the schools vanished; what was left was the vague popular awakening to the fact that all was not well with capitalistic society.

Propaganda by experiment failed equally disastrously. There was no lack of variety; in the half-century from 1820 to 1870 hundreds of model communities were established, chiefly in the United States, the home of freedom and cheap land. Owen and Cabet and Considérant themselves headed colonies; Fourier was deprived of this opportunity through the failure of the millionaire for whom he trustingly waited every day from twelve to one for years to present

[1] "No partial experiments in communism! Their success could do little good, and their failure, almost inevitable, would always do much harm."—*Op. cit.*, p. 564.

himself, but his American disciple, Arthur Brisbane, sowed the seed broadcast, sometimes to be astonished at the harvest. The emotional, almost neurotic, idealism characteristic of a large section of the American people, which found vent at different times in revivalist frenzy, Millerism, anti-Masonic crusades, Rochester rappings and spiritualism, provided ready audience for the apostles of the phalanx or the Owenite community. Into these experimental colonies there thronged enthusiasts of all degrees, high-souled and high-gifted lovers of their kind, transcendentalists of the traditional type who "dived into the infinite, soared into the illimitable and never paid cash," down to the more commonplace cranks whom Horace Greeley characterized in the days of his disillusionment from the phalanstery craze, as "the conceited, the crotchety, the selfish, the headstrong, the pugnacious, the unappreciated, the played-out, the idle and the good-for-nothing generally, who, finding themselves utterly out of place and at a discount in the world as it is, rashly concluded that they are exactly fitted for the world as it ought to be."[1]

It may be worth while to record some characteristic phrases out of the glowing prospectuses of the new societies: "the barricades of selfishness and isolation are overthrown"; "to us has been given the very word this people need as a guide in its onward destiny"; "we have been shown by the Columbus of the new industrial world how to solve the problem of the egg"; "destined to bless humanity with ages of abundance, harmony, and joy"; ". . . nurture the tree until its redeeming unction shall shed a kindred halo through the length and breadth of the land"; "a beautiful and romantic domain"; "Alphadelphia phalanx has been formed under the most flattering prospects: a constitution has been adopted and signed"; "enclosed within walls which beat back the storms of life"; "I expect to see all the arts cultivated and every beautiful and grand thing gen-

[1] Cited in Noyes, *History of American Socialisms*, p. 653.

erally appreciated"; "the beautiful spectacle of prosperous, harmonic, happy phalanxes dotting the broad prairies of the West, spreading over its luxuriant valleys and radiating light to the whole land that is now in darkness and the shadow of death"; "three attorneys-at-law . . . are learning honest and useful trades."[1]

So much for the dreams. The awakening was rarely long delayed. The great majority of the communities dissolved in failure in the first or second year of the experiment; a few of the Fourierist phalanxes, the Wisconsin, Brook Farm, and North American communities, lasted from five to twelve years; the Icarian experiment had over half a century of flickering existence, while a handful of religious communities, including the Shakers, the Amana Society, the Rappites, and the Oneida Community, still survive, though the latter two have virtually become ordinary joint-stock companies. As the sequel to the glorious visions cited in the preceding paragraph there might be set down extracts from the epitaphs written at the time, chiefly by members of the ephemeral communities: "the want of means and the want of men"; "the sole occupation was parade and talk"; "self-love was a spirit that could not be exorcised"; "hankering after the flesh-pots of Egypt"; "Mr. Owen was not a teachable man"; "there were few good men to steer things right"; "the soil being covered with snow the committee did not see it before purchasing"; "a motley group of ill-assorted materials as inexperienced as it was heterogeneous"; "there is no such thing as organization or unity without Christ and religion"; "quarreling about what they called religion"; " . . . did not prevent the purchase of hair-dye"; "there was no one to tell them what to do and they did not know what to do themselves"; "a band of musicians insisted that their brassy harmony was as necessary to the common happiness as bread or meat and declined to enter the harvest-field or work-

[1] Noyes, *History of American Socialisms*.

shop"; "some so contrive the work as not to be distant at meal-time"; "that which produces in the world only commonplace jealousies and everyday squabbles is sufficient to destroy a community"; "every one seemed to be setting an example and trying to bring the others to it."[1]

Is the collapse of the Utopian movement to be taken as a condemnation of the ideal sought or merely of the tactics employed? So far as the advocates of the small independent communities were concerned, their tactics were successful, to the extent that their schemes were given a trial. In their case the responsibility for the failure of the movement rests clearly on the inherent impracticability of their proposals. The disciple of Fourier or Owen who succeeded in setting up an experimental community of the same general type as the ultimate organization he proposed, has no injustice done him if the failure of his experiment is taken as conclusive evidence of the futility of his panacea. Plausible reasons have been advanced to the contrary. The communities, it is urged, were oases in capitalistic deserts; their failure could not prove that a group of kindred communities would not succeed. The failure, however, was usually to be ascribed to internal rather than external trouble; so far as the superior attractions of the neighboring competitive society served to lure away the disillusioned, that is hardly source for just complaint. Nor, in view of the stress laid in these Utopian schemes on the self-contained character of the communities and the unsatisfactory provisions made for the limited intercommunal trade permitted, can the environment be said to be a very material factor. Again, it is explained that the members of non-religious communities were not of the proper stamp: they consisted chiefly of a "heterogeneous crowd of idealists of all possible vocations, accustomed to a higher standard of life, and as a rule devoid of any knowledge of farming."[2] The experi-

[1] Noyes, *History of American Socialisms*.

[2] Hillquit, *History of Socialism in the United States*, p. 139.

ments were usually undertaken without the means necessary for their conduct on the scale and under the conditions their planners had presupposed: "the experimenters, as a rule, had to satisfy themselves with a small parcel of barren land in the wilderness, and that heavily mortgaged. . . . One or more miserable log huts took the place of the gorgeous social 'palace' and the 'attractive industry' dwindled down to a pathetic and wearisome struggle of unskilled and awkward hands against the obstinate wiles of a sterile and unyielding soil." [1] So far as the shortcomings of the community members were due merely to inexperience, the defense is a fair and valid one; so far as they were rooted in crotchety and impractical temperaments, the defense serves to illuminate the causes of the success of socialist preaching rather than to excuse the failure of socialist practice. And as for the external difficulties faced, the scanty capital and the reluctant soil, the plea seems but a sorry one when we remember that it was just such difficulties as these which the hosts of individualist pioneers have faced and conquered, not once nor twice but millions of times, in the onward sweep across the American continent, patiently and stubbornly subduing the wilderness. The burden of the failure cannot be shifted. Whenever the stimulus of individual and family interest was withdrawn, disaster followed, except in the few cases where religious fanaticism and monastic discipline supplied a centripetal force in substitute.[2]

For those socialists, on the contrary, whose ideal unit was the state, no attempt at a partial and local application of their proposals could afford a basis for definite conclu-

[1] Hillquit, *History of Socialism in the United States*, p. 97.

[2] As Hillquit points out (*ibid.*, p. 139), the comparative success of the sectarian communities is due in part to the fact that they were "chiefly composed of German peasants, men skilled in tillage of the soil, and whose wants were more than modest," and in part to their readiness to discard communism, which was but a secondary incident in their religious experiment.

sions. In the experimental community the task was in some respects more difficult, in others simpler than in a state-wide attempt; its failure could not conclusively demonstrate the worthlessness, nor its success the worth, of the wider plan. It was necessary that the nation should move as a whole, and to that end their nation-wide propaganda was directed. The propaganda failed; not, the modern socialist contends, because the end they proposed was impracticable, but because of their Utopian trust in the possibility of persuading the rich to relinquish their privileges. The sweet reasonableness of the Saint-Simonist agitation provokes the ridicule of the militant, class-conscious Marxian. The discussion of the comparative merits of the Utopian tactics and of the later methods of revolutionary uprisings, political agitation, and syndicalist pressure, must, however, be postponed until the doctrines and aims of present-day socialism have been examined.

CHAPTER V

THE MARXIAN ANALYSIS: I. THE MATERIALISTIC CONCEPTION OF HISTORY

THE chief contribution of Karl Marx to socialist theory and practice, we have seen, was to represent socialism as no longer an individual fantasy, a sect's Utopia, but as the inevitable next step in the development of human society. He put socialism in the main current of the world's history. He attained a new conception of the forces that have shaped society in the past and that will shape it in the future, a conception which changed the point of view of the analysis of the capitalistic system, conditioned the ideal commonwealth which was to develop out of capitalism, and shaped the tactics of the movement. This new doctrine, this new attitude to life, is what is known as the Materialistic Conception of History.

The Utopian analysis of the existing social order as a gigantic error due to the ignorance or knavery of past generations, and the consequent Utopian proposals to remake the whole social structure on a rational pattern, were merely, it has been noted, the exaggerated outcome of the absolute and unhistorical character of the thinking of the age. Marx was equally the child of his time. He grew to intellectual maturity under the influence of a strong reaction against the eighteenth-century view. It was begun by the attempt of the opponents of the French Revolution — notably Burke, De Bonald, De Maistre and De Lamennais — to defend the ancient institutions and ancient customs which had been condemned at the bar of rationalist individualism, to show particularly that political societies did not originate in conscious contract, that constitutions

could not be made to order, and that both societies and constitutions were natural growths out of the character and conditions of the people.[1] There was no "natural order," to serve as a universal standard. Political systems which seemed irrational to the modern radical had their justification in that they reflected the social relations and industrial development of their place and time. Gradually the new conceptions of the relative justification of past institutions, and the necessary connection between the different expressions of a people's life came to pervade the thinking of the forties and fifties. In history, Guizot pointed out that the French Revolution was merely the political reflection of the struggle between feudalism and the bourgeoisie; in jurisprudence, Savigny demonstrated the relativity of legal systems to various stages in the progress of society; in economics, Roscher was soon to found the historical school. Saint-Simon's fertile pioneer efforts in the same field were being systematized and developed by his pupil Comte. For the development of Marx and of scientific socialism, however, the most important exponents of the new tendency were Hegel and the Hegelians of the Left.

The conception of development, of process, was the keynote of Hegel's whole comprehensive system of thought. Human history was not an accidental succession of events, a "wild whirl of senseless deeds of violence," [2] but, like all other reality, the record of the unfolding of the Idea, proceeding by its own inner necessity to a self-recognized goal. Progress, Hegel maintained, takes place by the method of dialectic, through the three phases of thesis, antithesis, and synthesis. Truth in logic truth develops from affirmation, implying by conclusion its negation, to the higher synthesis in which the contradiction is solved, only to provide a starting-point for another dialectic process, so in history, which is logic in action, the nations and the world-characters in

[1] Cf. Flint, *Philosophy of History*, chap. vii.

[2] Engels, *Socialism, Utopian and Scientific*, p. 36.

which in turn the universal spirit partially finds expression — unconsciously controlled to ends not their own by reason's "cunning" — in turn succumb to the depositaries of the conflicting ideas, and become one element in a reconciling synthesis.

Marx, like all young university Germany in the early forties, was steeped in the dominant Hegelianism. But already in his time the contradiction between the revolutionary character of the dialectic process and the reactionary character of the results obtained by it, had split the schools into warring wings of Right and Left. By the one wing the conservative side of Hegel's two-edged declaration that "all that is real is reasonable" was emphasized, Junkerdom and Lutheran orthodoxy given foundation, and the Prussian state regarded as the crowning manifestation of the Absolute. By the other, the reality of these institutions was denied and their speedy passing by dialectic necessity foretold. In the stress of controversy with Church and State these Hegelians of the Left were driven to the French thinkers of the Enlightenment for weapons. Their doctrines took on a more and more materialistic tinge till finally, in the work of Feuerbach, "the dialectic of the Idea became itself merely the conscious reflex of the dialectical evolution of the real world, and therefore the dialectic of Hegel was turned upside down, or rather it was placed upon its feet instead of on its head, where it was standing before."[1]

It was the Feuerbach version, or perversion, of Hegelianism which appealed to Marx and Engels. When, therefore, they came to formulate, as every true German must, a philosophy of history, while they retained the master's belief in the continuity and explicability of history, and his dialectic process, they sought the motive force, not in the Idea but in the material, and especially the economic, conditions in which men are placed.

[1] Engels, *Feuerbach, The Roots of the Socialist Philosophy*, translated by Lewis, p. 96.

Their statements of the Materialistic Conception of History are unfortunately fragmentary and incidental, and the phrasing is far from clear, so that much ambiguity arises in the interpretation. In view both of the importance and of the ambiguity of the doctrine, it is advisable to quote the chief presentations.

The best-known statement is that of Engels: "The Manifesto being our joint production, I consider myself bound to state that the fundamental proposition which forms its nucleus belongs to Marx. That proposition is, that in every historical epoch, the prevailing mode of economic production and exchange, and the social organization necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch; that consequently the whole history of mankind (since the dissolution of primitive tribal society, holding land in common ownership) has been a history of class struggles, contests between exploiting and exploited, ruling and oppressed classes; that the history of these class struggles forms a series of evolution in which, nowadays, a stage has been reached where the exploited and oppressed class — the proletariat — cannot attain its emancipation from the sway of the exploiting and ruling class — the bourgeoisie — without, at the same time, and once and for all, emancipating society at large from all exploitation, oppression, class distinctions and class struggles." [1]

More concisely, he defines it as "that view of the course of history which seeks the ultimate cause and the great moving power of all important historic events in the economic development of society, in the changes in the modes of production and exchange, in the consequent division of society into classes against one another." [2]

[1] Preface to English translation of *Communist Manifesto*, 1888.

[2] *Socialism, Utopian and Scientific*, translated by Aveling, Introduction, p. xix.

Again: "From this point of view the final causes of all social changes and political revolutions are to be sought, not in men's brains, not in men's better insight into eternal truth and justice, but in changes in the modes of production and exchange. They are to be sought not in the *philosophy* but in the *economics* of each particular epoch." [1]

Finally, Marx himself: "In the social production which men carry on, they enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitutes the economic structure of society — the real foundation, on which rise legal and political superstructures and to which correspond definite forms of social consciousness. The mode of production in material life determines the general character of the social, political, and spiritual processes in life. It is not the consciousness of men that determines their existence, but, on the contrary, their social existence determines their consciousness. At a certain stage of their development, the material forces of production in society come into conflict with the existing relations of production, or — what is but a legal expression of the same thing — with the property relations within which they had been at work before. From forms of development of the forces of production these relations turn into their fetters. Then comes the period of social revolution. With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed. In considering such transformations the distinction should always be made between the material transformation of the economic conditions of production, which can be determined with the precision of natural science, and the legal, political, religious, æsthetic, or philosophic — in short, ideological — forms in which

[1] *Socialism, Utopian and Scientific*, pp. 41, 45; italics in original.

men become conscious of their conflict and fight it out." [1]

On the threshold the question arises whether this materialistic conception is materialistic in the ontological sense. Many categorical statements of Marx lend color to the assertion that he was, metaphysically, a materialist. "To Hegel," he declared, "the life processes of the human brain, i. e., the process of thinking, which under the name of 'the Idea' he even transforms into an independent subject, is the demiurgos of the real world, and the real world is only the external, phenomenal form of 'the Idea.' With me, on the contrary, the ideal is nothing else than the material world reflected by the human mind, and translated into terms of thought." Again he sets in opposition "ich Materialist, Hegel Idealist." Yet some of his acutest critics deny, and seemingly with reason, that his materialism was more than a positivist revolt against metaphysical speculations of idealists and materialists alike, a resolution to confine himself to the interrogation of experience, whether or not it were ultimate.[2] However this may be, it is certain that Marx does not stand for an out-and-out materialist explanation of the connection between the material world and men's actions, since such an interpretation "could scarcely avoid making its putative dialectic struggle a mere unconscious and irrelevant conflict of the brute material forces. This would have amounted to an interpretation in terms of opaque cause and effect, without recourse to the concept of a conscious class struggle." [3] His theory, then, may be said to be materialistic chiefly in the sense that it contends that the struggle for the material means of life conditions the growth of society.

An examination of this theory, and particularly of the

[1] *Contribution to the Critique of Political Economy*, translated by Stone, pp. 11–12.

[2] Cf. Adler, *Kausalität und Teleologie im Streite um die Wissenschaft; Marx-Studien*, i, pp. 303, 305.

[3] Veblen, *Quarterly Journal of Economics*, xx, p. 581.

concrete examples offered in illustration, reveals the fact that it is susceptible of two quite distinct interpretations. In one interpretation, it is an attempt to show the final and determining influence of economic conditions, acting directly on human history, and particularly on the juristic, political, religious, ethical, artistic, and scientific conceptions men frame, an influence exerted through circumscribing limitations of vision, through the working of analogy, through the compulsion of economic desire. From this viewpoint it is simply a variation or extension of the Bodin-Montesquieu-Buckle theories of the influence of material environment, laying the stress on economic rather than geographic or climatic features. In the other and distinctively Hegelian interpretation, it is mainly a study in the dynamics of politics, an attempt to show that "the final causes of all social changes and political revolutions" are to be sought in the economic conditions, working — this is the characteristic point — through class struggles. A conclusive illustration of this twofold character is afforded by the fact that the standard English statement of the theory, the able presentation by Professor Seligman,[1] is confined entirely to the first version, making none but the most incidental reference to the class-struggle doctrine, and hence arriving at the natural deduction that the only connection between socialism and the materialistic conception of history is "the accidental fact that the originator of both theories happened to be the same man"[2] — which, to vary the old saw, is as much as to say that the Prince of Denmark happened to be one of the characters in "Hamlet." It may be true that the doctrines of Marxian socialism are not a logical or necessary deduction from the first or even from the second version of this theory; but it is equally true that, logically or not, it was this theory on which they were in great part based and which has

[1] *The Economic Interpretation of History.*
[2] *Ibid.*, p. 105.

shaped not only the doctrine but the practical activity of the latter-day movement.

It is the first version which is apparent in Marx's incidental illustration of the influence of economic and material conditions on the development of science — the origin of astronomy in the necessity of measuring the Nile flow.[1] It is this version, applied to the explanation of religious phenomena, which appears in Marx's declaration that the religious world is but the reflex of the real world, and Christianity, with its endless worship of abstract man, the fitting religion for a society based on the production of commodities the value of which is abstractly reduced to the standard of homogeneous human labor;[2] or in Engels' attempt to deduce Calvinism from the economic conditions of the Reformation times,[3] or in Kautsky's explanation of the otherworldliness of Christianity,[4] or in Veblen's theory that the conceptions men frame of the deity change with the change of economic organization, — Suzerain in feudal days, Great Artificer when handicraft dominated,[5] and, adds Andler, laissez-faire Watchmaker in laissez-faire days.[6] It is this version, applied to ethics, which leads Kautsky to

[1] *Capital*, i. Humboldt edition, p. 321. [2] *Ibid.*, p. 32.

[3] "His [Calvin's] predestination doctrine was the religious expression of the fact that in the commercial world of competition success or failure does not depend upon a man's activity or cleverness but upon circumstances uncontrollable by him. It is not of him that willeth or of him that runneth but of the mercy of unknown superior economic powers; and this was especially true at a period of economic revolutions when all old commercial routes and centres were replaced by new ones, when India and America were opened to the world, and when even the most sacred economic articles of faith — the value of gold and silver — began to totter and break down." — *Socialism, Utopian and Scientific*, pp. xxi–xxii.

[4] "It is in my opinion possible to explain the aversion to earthly things and the longing for death of Christianity by the material conditions of the time of the Roman Empire. It were, however, preposterous to try to find a material interest as the cause of the longing for death." — *Neue Zeit*, xv, p. 215; cited in Boudin, *op. cit.*, p. 260.

[5] *American Journal of Sociology*, xi, p. 596.

[6] *Le Manifeste Communiste*, ii, *Introduction historique et commentaire*, p. 158.

demonstrate the connection between a limited food-supply and the categorical imperative to kill the old and feeble,[1] or Seligman to point out that the virtue of hospitality is far more important in the pastoral stage than in the industrial,[2] or Ghent to remind us that no John Howard appears among the Apaches.[3] It is this form, again, which throws light on the origin of primitive institutions,[4] as with Morgan's finding in the growth of property and the desire for its transmission to children the moving power which brought in monogamy to insure legitimate heirs,[5] or Cunow's economic explanation of the development of the matriarchate in the growing importance of women when agriculture and domestic industry took the place of hunting.[6] It is from this standpoint that modern historians have rewritten the story of every war from the Peloponnesian struggle to the Russo-Japanese war, finding each at bottom inspired by economic necessity, by the need of outlet for the support of growing populations, by the hunger for colonies, for trade-routes, and for markets.[7]

[1] Kautsky quotes from Nansen's *Esquimaux Life:* "When this l. e had spoken to an Eskimo girl of love of God and our neighbor, she s..d, 'I have proved that I love my neighbor because an old woman who was ill and could not die begged me that I would take her for a payment to the steep cliff, from which those always are thrown who can no more live. But because I love my people, I took her there for nothing and threw her down from the rocks,'" and comments: "We have seen that the necessity for killing old and sick members of society very easily arises with a limited food-supply and this killing becomes then signalized as a moral act." — *Ethics and the Materialistic Conception of History*, translated by Askew, p. 182.

[2] *The Economic Interpretation of History*, p. 129.

[3] *Mass and Class*, p. 17.

[4] It is significant that after Engels had studied the primitive stages of human development somewhat more closely he explicitly excepted them from the operation of the class-struggle version of the doctrine. (Preface to the *Communist Manifesto*, 1886.)

[5] *Ancient Society*, 1st edition, p. 477.

[6] *Neue Zeit*, xvi, pp. 238, 241; cited in Seligman, p. 80.

[7] Cf. a comprehensive review in Robinson, "War and Economics," *Political Science Quarterly*, xv, p. 581.

With much of Marx's contention, as thus interpreted, one must agree. His emphasis on the importance of the economic factor in history was a natural reaction from that unreal closet philosophy which read all life in terms of intellectual speculation, and judged it beneath the dignity of history to take heed of the effect of the ways in which men earned their living. All history is being rewritten under the influence of this fertile conception — a conception of course not due to Marx alone. But, not content with merely stressing this neglected factor, Marx, as is inevitable in the proclamation of a revolutionary idea, exaggerated the doctrine to an indefensible degree. The best evidence of this exaggeration is found in the continual attempts made since by the propounders of the doctrine, themselves and their most orthodox disciples, to hedge and qualify, and to stretch the phrasing to include omitted forces. To the "productive forces" to which Marx assigned full primacy, Engels early added "the conditions of exchange," a factor which in any accurate interpretation of Marx's doctrine must be considered secondary.[1] Race, again, is elevated by Engels to the dignity of a primary force,[2] and an attempt made to bring those geographical and climatic influences on which Buckle had laid stress within the concept. Still more inconsistent is the contention of Kautsky that natural science and even mathematics must also be included: "the present condition of mathematics constitutes a part of the economic conditions of existing society as much as the present condition of machine technique or of the world of commerce."[3] Engels himself in his last years admitted the exaggeration of the earlier statements, and by recognizing the influence of the ideological forces increased the tenability of the theory at the expense of its consistency.[4]

[1] Cf. Tugan-Baranowsky, *Theoretische Grundlagen des Marxismus*, p. 11.

[2] *Documente des Sociatismus*, ii, p. 74. [3] *Die Neue Zeit*, xv, 1, p. 234.

[4] Cf. letters to *Der Socialistische Akademiker*, 1895, cited in Seligman, *op. cit.*, p. 62, and Masaryk, *Philosophische und sociologische Grundlagen des Marxismus*, pp. 103–109.

The attempt at a monistic interpretation of history, the endeavor to find one pass-key which will unlock all the secrets of the past, is reluctantly and silently abandoned.

It is impossible to bring all the wide range of human interests and motives under a single rubric. The thirst for fame and for power, religious aspiration, racial prejudice, sex-attraction, scientific curiosity, the instinct of play, are as real and as primary forces as economic environment. It is true that since life is a unity and our varied interests are not separated in water-tight compartments, each of these forces continually reacts on the others. It is possible, therefore, for a theorist to isolate the instances of the way in which one of these factors has colored and conditioned the others, and, neglecting entirely the reactions in the contrary direction, to frame a doctrine of the overwhelming importance of this or that human interest. Such a method can make no claim to scientific finality or completeness. Instead of interpreting history it cramps and perverts it and leads to an utter disregard of historical proportion. One must put on the blinders of prepossession to see in the doctrine of predestination merely a reflection of the uncertainty of commercial success, — an explanation which hardly accounts for its taking root in commercially backward Scotland rather than in commercially developed Venice, or makes it clear why the doctrine did not arise in the equally uncertain political struggles of renaissance Italy, when, as Machiavelli regretfully admitted, "fortune was the arbiter of one half of our actions."[1] It is unscientific to note how industrial conditions may shape religious development, and to neglect the counter-influence, to overlook, for example, the tremendous effect of the religious taboo on meat on certain fast-days on the fishing industry, on the voyages to the Newfoundland Banks and the consequent exploration and development of Northern America; or, to take a more complex and indirect instance, the effect of the

[1] *The Prince*, chap. 25.

adoption of the Protestant religion on the development of industrial institutions. It is unscientific to stress the importance of the economic factor in the development of the family and to overlook the influence of family feeling on the industrial organization, exerted, for example, through the institution of inheritance and the desire to provide for one's children or "found a family," or to neglect the importance of the instinct for adornment and sex-impression in stimulating and shaping the direction of industry.

It is illuminating in many instances to disentangle the economic interests which have played their important shares in the wars of the past, the more so because of the undue neglect accorded this source of strife by historians engrossed with surface personalities. But it is only to darken knowledge to thrust this explanation into the foreground in every case and even to attribute to it exclusive influence, to trace the cause of the Spanish-American war to the Cuban sugar situation,[1] or, in face of the consensus of opinion among competent recent investigators that the British colonial system did not work materially to the detriment of American industrial development,[2] to find the cause of the American Revolution in the "economic discontent of a sadly exploited people,"[3] instead of in the impossibility, in the then conditions of imperial organization, of a free people consenting permanently to be ruled even for their own industrial good by men no abler than themselves three thousand miles away. In every war, Hunnish inroad, Iroquois raid, Mahometan expansion, Christian Crusade, Napoleonic struggle, British-Boer or Spanish-American conflict, one finds mingled in greatly varying proportions some or all of such motives as the desire to make

[1] Cited in Seligman, *op. cit.*, p. 86.

[2] Cf. Beer, *British Colonial Policy, 1756–1765*, and Ashley, "The Commercial Legislation of England and the American Colonies, 1600–1760," *Quarterly Journal of Economics*, xiv, p. 1.

[3] Spargo, *Socialism*, p. 68.

a name for prowess, to "wreak one's ego on the cosmos," the thirst for "sport" and excitement, religious fanaticism, the memory of traditional feuds, dynastic ambition, the altruistic desire to help the under dog, racial jealousy fired by medicine-man or yellow press, and the economic interest of a whole or a dominant section of a people. The historian who is seduced by the intoxication of a new idea or the desire to be up to date into finding none but the latter factor at work has no more read history than the "realist" novelist who finds only the ugly and the sordid real has read life.[1]

It is, however, the second version of the theory which is most distinctively Marxian. The materialistic conception of history is an interpretation of the past and the present as a continuous dialectical process, a development by incessant struggle of opposing forces. The forces engaged, however, are not, as with Hegel, successive manifestations of the Idea, but class groups produced by economic conditions. As in the first version, the economic conditions of a period are regarded as all-important, but attention is concentrated on one means by which their influence is exerted — the formation of warring classes of exploiting and exploited. Changes in the methods of production and exchange result in developing new classes which war with the dominant order, subdue it, and are in turn brought into conflict with their victorious successor. In the present epoch the struggle lies between the bourgeoisie, the exploiting class, and the proletariat, the exploited: the antagonism between them corresponds to the antagonisms which exist in the relations of production to-day, between the social character of production and the individual character of appropriation of the product, as well as between the coördination and harmony which exist in the individual factory and the anarchy which marks production as a whole. This conflict will prove the last; the victory of the

[1] Cf. for an extended discussion of the doctrine, Tugan-Baranowsky, *Theoretische Grundlagen des Marxismus*, pp. 1–129.

proletariat will mean the end both of the class interest and of the class struggle. Exploitation and class struggle — these are the keynotes of the doctrine.

At the outset the same criticism must be made on this as on the first version: neither in the past nor in the present can the life of man be reduced entirely to economic terms. Marx is simply arraying in somewhat different costume that hobgoblin of the classical economist myth-makers, the economic man, and projecting his shadow not only over the individualist era of modern capitalism but over all preceding history. It is sometimes contended, it is true, that Marx does not imply that men are invariably actuated by motives of personal economic interest. This is quite correct, if it is meant that the motive which immediately actuates the individual is not necessarily a consciously recognized material one.[1] Yet it is of the essence of Marx's position that the material interest of the individual or class should be considered as the reality in the background, however it may be obscured by "ideological veils." The point may be illustrated by the contrast between the position of Marx himself and of one of his otherwise most orthodox disciples, the American Marxist, Louis Boudin. In a controversy

[1] "The will is determined by passion or reflection, but the levers which passion or reflection immediately apply are of very different kinds. Sometimes it may be external circumstances, sometimes ideal motives, zeal for honor, enthusiasm for truth and justice, personal hate. . . . But the question arises: What driving force stands in turn behind these motives of action; what are the historical causes which transform themselves into motives of action in the brains of the agents?" — Engels, *Feuerbach*, pp. 105–106.

"In the domain of historico-social determinism, the linking of causes to effects, of conditions to the thing conditioned, of antecedents to consequents, is never evident at first sight in the subjective determinism of individual psychology. . . . We begin with the motives religious, political, esthetic, passionate, etc., but must subsequently discover the causes of these motives in the material conditions underlying them. . . . Some ideological envelope which prevented any sight of the real causes." — Labriola, *Essays on the Materialistic Conception of History*, translated by Kerr, pp. 110, 105.

with a brother socialist who maintained that the materialistic conception of history was incompatible with individual idealism, Boudin offers the illustration of tens of thousands of Russians and Japanese sacrificing their lives on the altar of patriotism, for an ideal which was, in the case of the poorer classes, a reflection not of their own material interests but of the interests of a ruling class.[1] Here the individual is actuated by an ideal which blinds him to his own material interest. Contrast with this any of the concrete studies in which Marx applied his doctrine, for example, his analysis of the rise of the Empire of Napoleon the Little. Throughout, all the participants in the game, bourgeois great and small, landed aristocrat, peasant, proletarian, are assumed to be acting in furtherance of their material interest. Discussing the struggle between Legitimists and Orleanists, Marx points out that "what kept these two factions apart was no so-called set of principles, it was their material conditions of life — two different sorts of property; it was . . . the old rivalry between capital and landed property." He goes on to make clear in what limited sense he admits the influence of ideal motives: "That simultaneously old recollections; personal animosities, fears, and hopes; prejudices and illusions; sympathies and antipathies; convictions, faith, and principles bound these factions to one House or the other, who denies it? Upon the several forms of property, upon the social conditions of existence, a whole superstructure is reared of various and peculiarly shaped feelings, illusions, habits of thought, and conceptions of life. The whole class produces and shapes these out of its material foundation and out of the corresponding social conditions. The individual unit to whom they flow through tradition and education, may fancy that

[1] *Theoretical System of Karl Marx*, p. 37. The distinction which Boudin, following Kautsky, makes on the same page, between "material conditions" and "material interests" is a not quite conscious recognition of the distinction maintained above between the two versions of the theory.

they constitute the true reasons for and premises of his conduct."[1] Clearly, Marx recognizes the existence of ideal or rather ideological motives, but recognizes them only as the intermediate outcome of material class interest and as invariably impelling the actor in the direction which that material interest determines.

So far as economic conditions have shaped history — and their importance is undeniable — it is impossible to show that that influence has been exerted only through the medium of class struggle. Marx's emphasis on the class struggle, hailed by his followers as the most important contribution to social theory made by scientific socialism, was in reality not a scientific deduction from facts but a survival of *a priori* metaphysics. His mind was so obsessed by Hegelian convictions of the dialectic character of mankind's development that he tried to fit the facts to the formula, and consequently for him class struggle monopolized the whole economic stage. Just as the economic field is not as wide as human life, so within this field class struggle is not the sole form in which the influence of economic conditions is exerted. The illustrations cited in connection with the first version of the doctrine are sufficient evidence. What has class struggle to do with Engels' interpretation of Calvinism, or Kautsky's explanation of the tendencies of early Christianity, or Seligman's comment on the connection of pastoral life and the virtue of hospitality? Economic forces do not work on men solely as units of classes but on men as members of the whole social group, as members of a pastoral tribe or of a highly organized community. In great part men share in common the influences of their economic environment. It is only within a limited portion of the economic field, where interests conflict, that the economic factor can be said to spell divergence of class interest.

Within this limited sphere, again, it is by no means in-

[1] *The Eighteenth Brumaire of Louis Napoleon*, translated by De Leon, p. 24.

evitable that divergence of class interest will entail class struggle. Here Marx is influenced by the very theory of the determining part played by the intellect in men's affairs against which he is contending. He assumes that because the material interests of a class would lead them, if they were rationally to follow their interest, to struggle against another class, that outcome will inevitably result. A conclusion more in harmony with the realities of group psychology is that contained in Professor Veblen's comment on the Marxian position: "Under the Darwinian norm it must be held that men's reasoning is largely controlled by other than logical or intellectual forces; that the conclusion reached by public or class opinion is as much, or more, a matter of sentiment than of logical inference; and that the sentiment which animates men, singly or collectively, is as much, or more, an outcome of habit or native propensity than of calculated material interest. There is, for instance, no warrant in the Darwinian scheme of things for asserting *a priori* that the class interest of the working class will bring them to take a stand against the propertied class."[1] For proof, listen to any socialist denunciation of the folly of the American workingman in casting a vote for the "Republican or big-business" candidate, or for the "Democratic or little-business" candidate, or witness how the majority of British workingmen threw up their caps for the war against the Boers and the majority of American workingmen sympathized with Philippine expansion in spite of the fact that imperialism has time and again meant a halt in social reform and certainly has brought little compensating gain to the mafficking workingman. Equally with jingoism, professional baseball or football, betting, vaudeville, or murder trials may absorb the interest and energy that in the socialist scheme of things are predestined for the Revolution. The Marxian socialist will tell you that the trouble with these unenlightened specimens

[1] *Quarterly Journal of Economics*, xxi, p. 308.

of the proletariat is that they are not yet "class conscious." The point is that there is no conclusive evidence that they are ever going to become class conscious.[1]

Yet when all qualifications are made, class struggles for economic advantage are a grim reality. Only a blind optimism can deny the reality of divergence of economic interest and the reality of the conflict which sometimes results. Only a blind prejudice, however, can lead to the further sweeping generalization that to-day only two classes hold the field, bourgeoisie and proletariat, and that in their irreconcilable conflict lie the motor forces of future development.[2] Men's economic interests are rarely single; in the complexity of modern industrial society their relations are not confined to a single other group; they cannot be classified solely from one viewpoint. The strata are many, the cross-sections innumerable. Geographical division, occupational interest, color and racial differences cut athwart the symmetrical lines of the class-struggle theorist. Not merely do the interests of workmen and employer diverge, so far

[1] Kautsky, angered at the failure of the English working classes to play the revolutionary part cast for them by Marx, bursts out: "Their highest ideal consists in aping their masters and in maintaining their hypocritical respectability, their admiration for wealth, however it may be obtained, and their spiritless manner of killing their leisure time. The emancipation of their class appears to them as a foolish dream. Consequently it is football, boxing, horse-racing, and opportunities for gambling which move them the deepest and to which their entire leisure time, their individual powers, and their material means are devoted." — *The Social Revolution*, pp. 101-102.

[2] "Certainly the two great classes correspond to the Hegelian negation of negation, but this negation of negation does not correspond to reality." — Masaryk, *op. cit.*, p. 172.

Marx recognized the existence of more than two classes in contemporary society; no fewer than five are enumerated in the *Eighteenth Brumaire* (peasants, petty bourgeoisie, landed aristocracy, capitalist bourgeoisie, and proletariat) and eight in *Revolution and Counter-Revolution in Germany*. Yet these are only minor and temporary divisions: "Society as a whole is more and more splitting up into two great hostile camps, into two great classes directly facing each other: Bourgeoisie and Proletariat." — *Communist Manifesto*, p. 13.

as the sharing of the product goes, but the German agrarian struggles against the manufacturer, the small shopkeeper against the great department store, the independent manufacturer against the trust, the white bricklayer or fireman against the negro, the American trade unionist against the immigrant, carpenters' against woodworkers' union in jurisdictional disputes. Employers and employed unite in a closed shop, closed-masters' agreement to prey on the consuming public; trade unions back trusts' demands for more room at the tariff trough. The joint-stock company opens all fields to investment by all classes; the workingman becomes his own landlord: economic categories less and less coincide with definite and unchanging bodies of individuals. And still the socialist mumbles his sacred formula of bourgeois and proletarian, proletarian and bourgeois.

One ray of light pierces the gloom of the class-struggle doctrine. The present conflict is to be the last; the victorious proletariat will have no inferior to oppress, and will usher in a classless commonwealth, where the wicked will cease from troubling and the fighters be at rest. This eschatological side of the Marxian theory is, in all probability, not so much a theological echo as yet another illustration of Hegelian influence, the final cessation of class struggle being a deduction from the Hegelian postulate of the final reconcilement of the dialectic conflict in the attainment of an absolute synthesis. Only the teleological optimism of the Hegelian formula can explain Marx's assumption that the clash of classes would lead, not to chaos and relapse to lower levels, as has happened before in the world's history, but to the triumph of the oppressed and living happy ever after in a classless Eden. It is, further, a curious attitude to be taken by a theorist who has found in class struggle the source of all progress in the past. If the prophet speaks truly, we are heading for a stereotyped state. Harmony plus stagnation is hardly an ideal which will win wide favor. Upheld by the party of revolution it is the height of paradox.

To sum up this criticism: economic factors are not the sole or ultimate forces in human progress; where economic forces are operative, they do not necessarily imply a conflict of interest; where a conflict of interest does exist, it does not follow that men will inevitably be guided by their interest; so far as conflict of interest does determine action, it is a conflict not solely between the interests of two clear-cut and irreconcilably opposed classes, but between countless Protean groups, with the lines of division in one relation cutting athwart the lines of another, and making the opponents of yesterday the allies of to-day; so far, finally, as class struggle is held to be a condition of progress, it can cease only at peril of stagnation. The materialistic conception of history is based, not on an objective cause-and-effect study of actual industrial development, but on a philosopher's formula. The rooting of progress in class struggle, the expectation of the ultimate synthesis in the classless collectivist commonwealth, the failure to offer any adequate explanation of the causes of those changes in the economic foundations of society which result in changes in the superstructure, all reveal the preconception that social development is to proceed by immanent necessity on the lines of Hegelian dialectic. Since Darwin's day we have attained an entirely different conception of development, and the Marxian theory of progress is left without a credible intellectual basis.

CHAPTER VI

THE MARXIAN ANALYSIS: II. VALUE AND SURPLUS VALUE

HAVING discovered in the materialistic conception of history a key to all human achievement, Marx proceeds to use it to unlock the secrets of the present epoch, to disclose the essential nature and trend of capitalistic production. Today the class struggle takes the form of contest between bourgeoisie and proletariat, exploiter and exploited. Marx's first problem, therefore, is to explain the mechanism of present-day exploitation. His explanation takes the form of the theory of surplus value,[1] which, again, rests on a theory of value. Since the distinctive feature of capitalism is the making of commodities for sale in the market, an analysis of its working should begin with a theory of market price. "In the bourgeois society the commodity form of the product of labor — or the value form of the commodity — is the economic cell-form." [2] With the study of the cell all scientific investigation of the body politic must begin.

The theory of value which Marx presents is a variation of the familiar labor-value doctrine. The view that labor is the source of value, rising naturally in an age when handicraft predominated, was given wavering but authoritative support by Adam Smith, and adopted, with, however, essential modification, in the classic treatise of Ricardo. The supposed logical deductions from the theory were soon drawn by socialist writers in many quarters; Bray and

[1] "These two great discoveries, the materialistic conception of history and the revelation of the secret of capitalistic production, we owe to Marx. With these discoveries Socialism became a science." — Engels, *Socialism, Utopian and Scientific*, p. 44.

[2] *Capital*, i. p. x.

Thompson and Hodgskin in England, Proudhon and, to some extent, Sismondi in France, and Rodbertus in Germany dotted what they thought were Ricardo's *i*'s and crossed what they thought were Ricardo's *t*'s by concluding that if "labor" were the sole source of value, the "laborer" was entitled to the full produce of his labor, and the capitalist secured a share only by robbery.[1] The theory was obviously adapted to anti-capitalist criticism, and Marx adopted it accordingly, in an amended version, with that characteristic uncritical acceptance of fundamentals which contrasts so strangely with his hypercritical subtlety on minor details.

Marx begins his demonstration by declaring that the fact that commodities are exchanged evidences an equivalence of a third "something" possessed in common. This common quality cannot be a use-value, since exchange is an act characterized by a total abstraction from use-value; one use-value is just as good as another. There is only one common property left, that of being products of labor. The magnitude of value contained in a commodity is measured by the quantity of abstract human labor embodied, and this quantity again is measured by the duration of the effort. Having stated this broad proposition, Marx immediately begins a series of important qualifications. In the first place, the labor which forms the substance of value is not the actual effort put forth by any specific individual, but a homogeneous funded quantity, socially necessary

[1] No careful student of Ricardo could hold him guilty of the crude theory, so frequently fathered upon him and gaining respectability from the parentage, that labor is the sole source of value. "When Ricardo speaks of labor as regulating value in the long run by means of competition, [modern socialistic schools] interpret him as attributing to labor the power of creating value. When he speaks of labor with a capital, including under it the exertion of capital, they speak of labor with a small initial, meaning plain toil, often plain manual toil." (Gonner's *Ricardo*, Introductory Essay, p. lviii.) Cf. the illuminating chapter on Ricardo in Davenport's *Value and Distribution*, for an exposition of the merely regulative and proportioning function assigned labor in his theory.

labor, the labor required under normal conditions of skill, intensity, and up-to-date appliances. The unit in this homogeneous fund is a quantum of unskilled labor, simple average labor, the labor-power which, on the average, apart from any special development, exists in the organism of every ordinary individual. Skilled labor counts only as multiplied simple labor, the proportion being fixed "by a social process that goes on behind the backs of the producers." [1]

Next Marx brings in by a side door the factor of utility previously disregarded. "Nothing can have value," he declares, "without being an object of utility. If the thing is useless, so is the labor contained in it: the labor does not count as labor, and therefore creates no value." [2] This qualification is amplified later. "Suppose," the argument runs, "that every piece of linen in the market contains no more labor-time than is socially necessary. In spite of this, all those pieces, taken as a whole, may have had superfluous labor-time spent upon them. If the market cannot stomach the whole quantity at the normal price of two shillings a yard, this proves that too great a portion of the total labor of the community has been expended in the form of weaving. All the linen in the market counts but as one article of commerce, of which each piece is only an aliquot part. And as a matter of fact, the value also of each single yard is but the materialized form of the same definite and socially fixed quantity of homogeneous human labor." [3]

Such in broad outline is Marx's labor theory of value, as developed in the opening chapters of the first volume of "Capital." Marx begins his search for the common quality which is the cause of values by carefully putting into the sieve, as Böhm-Bawerk expresses it in his classic analysis, only "those exchangeable things which contain the property which he desires finally to sift out as a common fac-

[1] *Capital*, i, pp. 2–7. [2] *Ibid.*, p. 5. [3] *Ibid.*, p. 50.

tor. . . . He acts as one who, urgently desiring to bring a white ball out of the urn, takes care to secure this result by putting in white balls only."[1] That is, he limits his inquiry to the value of "commodities," and adopts, without explicit warning, a definition of commodities which includes only products of labor, and excludes "virgin soil, natural meadows, etc."[2] Having thus made sure that the embodiment of labor will be one property common to all goods, Marx proceeds to prove that it is the property sought by the method of exclusion, examining and finding wanting all other common properties — a dangerous method of proof depending for its validity on the assurance that every possible common quality has been passed in review. Only one other common quality is, as a matter of fact, considered — the possession of use-value, and this, as noted above, is rejected on the ground that one use-value is as good as another. Here Marx assumes that because in exchange it is immaterial what species of use-value a good possesses, it is therefore legitimate to discard use-value altogether as not being the common quality sought, confusing the abstraction from the specific form of use-value with an abstraction from use-value in general.

To meet the obvious objection to a labor-value theory that goods embodying very different amounts of labor sell at the same price, Marx has recourse to his favorite expedient of averaging, normalizing, so as to blot out all these individual variations.[3] The "total labor power of society" is conceived of as a fund of homogeneous units. The duration of the exertion required to produce a given commodity by one of these homogeneous units is considered to be the socially necessary labor-time. Marx's interpretation of the "normal conditions" which determine what time is socially

[1] *Karl Marx and the Close of his System*, p. 134.

[2] *Capital*, i, p. 5.

[3] "Marx eliminates by processes of averaging precisely those variations which form the subject of investigation. The reasoning thus turns in a circle." — Pareto, *Les Systèmes Socialistes*, ii, p. 364.

necessary is characteristically wavering: it is almost as difficult to determine what he understands by "normal" as what Marshall means by "representative." It might be contended that normal or socially necessary means average, and there is authority in Marx for this statement: "No more time than is needed on an average, no more than is socially necessary."[1] It might be contended that it means minimum, that the product of the obsolete machine or the antiquated process is not to be counted in the total averaged, and for this version there is also authority in Marx: "It is important to insist upon this point, that what determines value is . . . the minimum time in which it is susceptible of being produced."[2] It might be contended that socially necessary means maximum, and for this version there is also authority in Marx: the price of agricultural produce, which is specifically included in the section under discussion in the commodities obeying this law, is stated later to be regulated by the worst soils.[3]

The importance of the factor of utility in determining value is admitted only grudgingly and imperfectly. Grudgingly, for while it is granted that labor directed to the production of a useless article will not create value, the attempt is made to maintain a formal consistency with the doctrine of the sole efficacy of labor in determining value, by asserting that labor is not labor except when applied to making a useful object, in the quantity required by society. This is as though one should assert that the air is the sole factor in the growth of a tree, and afterwards hedge by explaining that air is not air unless certain conditions of soil and sunshine be present. Instead of stretching the term "labor" to include conceptions altogether foreign to it, bringing in the factor of utility merely as a qualifying force

[1] *Capital*, i, p. 4.

[2] *Poverty of Philosophy*, translated by Quelch, p. 39; and cf. the example immediately following the previous quotation.

[3] *Capital*, iii, chap. 39.

in establishing the presence of labor, the franker course would have been to recognize the independent action of this indispensable factor. The danger involved in Marx's course is that after the term labor has been thus tortuously qualified and interpreted to give it plausibility, it will be applied in its naïve, unqualified sense. In this subordination of utility, this attempt to discover value in producers' effort, to the virtual exclusion of consumers' estimate, Marx is at one with the English classical school, even going beyond them in his assumption of men as economic automatons, and his disregard of that psychological analysis which has been so fruitfully developed by later American and Austrian economists. The recognition of the importance of the factor of utility, further, is imperfect, for the assertion is made that things which do not owe their utility to labor have no value: "such are air, virgin soil, natural meadows," [1] and the influence of utility in determining the proportion between skilled and unskilled labor is not explicitly recognized. Skilled labor counts as so many units of unskilled labor, the exact proportion being fixed by "a social process that goes on behind the backs of the producers." That is, the problem is to determine how the relations are established which result in value, and the naïve answer is made that they are established by market valuation.[2] It is obvious that the proportion cannot be fixed

[1] *Capital*, i, p. 5. In this contention, Marx agrees with Podbertus. Later he attributes to them a price, equivalent to the capitalization of the landlord's share of surplus value: however, "even in a communistic economy, where no exchange existed, value would necessarily be attributed to such useful things, because the degree of human well-being attainable is dependent on the disposition of every part of those goods." (Komorzynski, "Der dritte Band von Carl Marx, 'Das Capital,'" in *Zeitschrift für Volkswissenschaft, Socialpolitik, und Verwaltung*, vi, p. 258.)

[2] An American orthodox Marxist defends this position by making the difference between different kinds of labor explicitly only a quantitative one: "A skilled laborer produces in a given space of time more than the unskilled one. The value of a commodity being equal to the labor which it would cost to produce it, the value of the commodity will, in accordance

without a knowledge of the relative utility of the products of the respective workers.

It is not necessary to pursue further a detailed examination of Marx's contentions in these introductory chapters of "Capital." The attempt to derive value entirely from cost, with only an indirect and limited recognition of utility, is as futile as the reverse endeavor in many current versions of the marginal utility doctrine. Throughout, Marx looks on value as a quality that can be carried forward in production and conferred on the product. Neither labor nor capital, nor both in conjunction, can do more than produce commodities, give new forms and combinations to the material with which they deal. Whether these commodities will have value when produced depends in determining degree on the relation they bear to the needs and desires of prospective purchasers. "Value grows," declares Böhm-Bawerk in a notable passage, "not out of the past of goods but out of their future. . . . Value cannot be forged like a hammer, nor woven like a sheet. . . . What production can do is never anything more than to create goods, in the hope that, according to the anticipated relations of demand and supply, they will obtain value." [1] Much less is it possible to attribute to labor alone among factors of production sole value-creating efficacy — the fallacy on which, as will be seen presently, the doctrine of surplus value is based.

The theory that labor is the source of value finds few defendants to-day. In the face of the overwhelming criti-

with the laws of value already explained by us, be the amount of ordinary average labor necessary for its reproduction. For it is by this labor that society will have to reproduce it, the amount of skilled labor being by its very terms limited." — Boudin, *Theoretical System of Karl Marx*, p. 116.

That is, it will take perhaps as many as half a dozen hodmen to reproduce Michael Angelo's David, or, to take a perhaps fairer example, half a dozen roustabouts to do the work of a skilled jeweler. There are surely qualitative as well as quantitative differences.

[1] Böhm-Bawerk, *Capital and Interest*, translated by Smart, pp. 134–135.

cism which has been directed against it, even good Marxists are being forced to abandon it or to explain it away. It is not an explanation of the facts of the existing industrial system, Engels declares, but holds good as an analysis of value in the more primitive industrial organization of the pre-capitalist era,[1] — a contention which is consistent neither with the degree of competition that then existed, leading to the same equalizing of profit which bedevils the theory in the present epoch,[2] nor with the feudal and gild restrictions which equally prevented the exchange of goods in accordance with the labor-time expended,[3] and which fails to account for the stress laid on the theory in a work avowedly devoted to the study of the capitalist era. A later disciple avers it will prove true in the socialist system of the future. "So long as capitalist production lasts, the law of value cannot express itself normally, . . . only under a socialist system of production can the Marxian theory of value be consistently applied and used as a regulator of collective production." [4] Sombart comes to the rescue, after an admission that if Marx's theory is an attempt to explain the actual facts of market value it utterly fails in its purpose, by suggesting that the theory is merely a Kantian "regulative principle." Sombart finds "refuge for this harried value concept" neither in Engels' fifteenth century nor in Untermann's twenty-fifth, but in a still less substantial field — "the thought of the theoretical economist." "In fact, if one must have an epigrammatic characterization of Marx's value concept, it is this — value is to him not a fact of experience but a fact of thought. . . . The concept of value is an instrument of thought, which we utilize to make intelligible the phenomena of economic

[1] Engels, *Die Neue Zeit*, 1895, *Ergänzung und Nachtrag zum dritten Buch des "Kapital"*; cf. Marx, *Capital*, iii, pp. 207–08.

[2] Komorzynski, *l. c.*, p. 285.

[3] Cf. Bernstein, *Voraussetzungen des Soziolismus*, translated by Harvey, as *Evolutionary Socialism*, p. 30.

[4] Untermann, *Marxian Economics*, p. 226.

activity; it is a fact of logic." [1] Or, finally, there is the sour-grapes verdict that it does not matter where, if anywhere, the theory can be substantiated; Kautsky declares that "in reality the Marxian theory of value has nothing to do with socialism. . . . The doctrine of value is not the foundation of socialism, but the foundation of the existing capitalist economy," [2] a verdict which curiously disregards the fact that it is of the essence of Marx's doctrine to reveal socialism as developing out of the existing capitalist order by the operation of the forces whose working within its bounds he has analyzed.[3]

Underlying most of these attempts to account for the failure of the labor theory to explain the actual facts of exchange relations is the contention that it is not designed to explain them. This general position may be best set forth in the exposition of Professor Veblen. Marx's critics, misled by their own shallowness or by "a possibly intentional oracular obscurity on the part of Marx," err, he declares, in identifying value with exchange value, and in showing "that the theory of value does not square with the run of the facts of price under the existing system of distribution, piously hoping thereby to have refuted the Marxian doctrine, whereas of course they have for the most part not touched it." Marx's theory, Veblen continues, does not rest on the playful mystification in the opening chapters which purports to be a proof; it is simply a deduction from his Hegelian postulates. In that system the only substantial reality is the unfolding life of the spirit, a reality which, in the neo-Hegelian variant, is translated into terms of the "unfolding (material) life of man in society." This life process is the final standard in which relations between goods

[1] *Archiv für soziale Gesetzgebung und Statistik*, vii, p. 574.

[2] *Neue Zeit*, iii, p. 282.

[3] Very appropriately Croce quotes from Heine: "When Hegel lay on his death-bed he declared, 'Only one has understood me.' But immediately after he added irritably, 'And he did not understand me either.'" —*Matérialisme Historique et Économie Marxiste*, p. 221.

must be expressed: "goods are equivalent to one another in the proportion in which they partake of substantial equality." Because of the unequal adjustments of the present distributive system, exchange value does not by any means coincide with real value; in fact, "Marx's severest stricture on the iniquities of the capitalist system is that contained by implication in his development of the manner in which the actual exchange value of goods systematically diverges from their real (labor-cost) value." [1]

There is no doubt that even in the first volume of "Capital" Marx implies in several brief passages a distinction between value and price.[2] There is also no doubt that the tenor of the greater part of the volume is in the contrary direction. The assumption of their identity, which has been made in the foregoing discussion, is the view which suggests itself in almost every paragraph where value is discussed, and is the view which prevailed among both the advocates and the critics of Marxism till the publication of the third volume. It is difficult to read any other meaning into such declarations as that exchange value is merely a "definite and social manner of expressing the amount of labor bestowed upon an object," or that price is "merely the money name of the quantity of social value in his commodity," or into a score of similar passages. Nor can Professor Veblen's assumption be made to square with the qualifications which Marx makes in taking heed of the demand side of the market; a value fixed by the unfolding life of the spirit

[1] *Quarterly Journal of Economics*, XX, pp. 585–587.

[2] Cf. "The possibility, therefore, of quantitative incongruity between price and magnitude of value, or the deviation of the former from the latter, is inherent in the price form itself."

"It is true, commodities may be sold at prices deviating from their values; but these deviations are to be considered as infractions of the laws of the exchange of commodities, which in its normal state is an exchange of equivalents, consequently no method of increasing value."

"We have in fact assumed that prices equal values. We shall, however, see in Book III that even in the case of average prices the assumption cannot be made in this very simple manner."—*l. c.*, pp. 46, 84, 126, n.

would be subject to no abatement by reason of mere fluctuations in consumers' tastes or inventors' achievements; it would be an indefeasible and abiding reality, beyond the influence of time or tide. Does the yard of hand-woven linen any less express the weaver's life process because Watt invents a steam engine or Cartwright a power-loom? Does the skilled laborer possess more units of this substantial reality than the unskilled?

Nor does the undoubted fact that in some passages Marx indicates that value is not exchange value settle the point. For if Marx does not consistently maintain their identity, he explicitly maintains their long-term proportionality. "If prices actually differ from values," he declares, "we must, first of all, reduce the former to the latter — in other words, treat the difference as accidental in order that the phenomena may be observed in their purity. . . . We know, moreover, that their reduction is no mere scientific process. The continual oscillations in prices, their rising and falling, compensate each other, and reduce themselves to an average price, which is their hidden regulator. It forms the guiding star of the merchant or the manufacturer in every undertaking that requires time. He knows that, when a long period of time is taken, commodities are sold neither over nor under but at their average price. If, therefore, he thought about the matter at all, he would formulate the problem of the formation of capital as follows: How can we account for the origin of capital on the supposition that prices are regulated by the average price, *i. e.*, ultimately by the value of the commodities? I say 'ultimately,' because average prices do not directly coincide with the values of commodities as Adam Smith, Ricardo, and others believe."[1] So far as the first volume of "Capital" is concerned, therefore, Marx cannot find escape in the discrepancy between price and value. The different attitude adopted in the third volume will be taken up

[1] *Capital*, i, p. 89, n.

briefly below in connection with the profit-rate implications of the surplus-value doctrine, which must now be considered.

Having explained how the value of commodities is regulated, Marx proceeds to use this value concept to illumine the process of the exploitation of labor by capital. Our friend Moneybags, he puts it, takes advantage of labor's value-creating property. He finds the commodity, labor-power or capacity for labor, offered for sale on the market by the laborer, who is at once free to bargain for its sale and without other resource than the proceeds of this transaction. This commodity Moneybags buys for a definite period, paying for it its full value, this value being, as in the case of other commodities, determined by the labor-time socially necessary for its production, and thus equivalent to the value of the means of subsistence for the laborer and his substitutes, his children. The capitalist finds his profit in the circumstance that labor-power has the peculiarity of being a source not only of value but of more value than it has itself. In, say, half a day, the laborer can produce a value equivalent to the cost of his labor-power. He has, however, sold his whole working capacity. He is obliged to continue working beyond this point and in the other half day he produces value for the capitalist, surplus value in short. The value of labor-power and the value of the product which labor can be made to yield are two entirely different magnitudes; it was this difference that the capitalist had in view in purchasing the labor-power. Constant capital, that part of capital invested in plant and material, merely reproduces its own value in the process of manufacture. Variable capital, on the contrary, the portion invested in labor-power, reproduces its own value and the whole of the surplus appropriated by the capitalist. The rate of surplus value is determined by the proportion between surplus value and variable capital, the rate of profit by the proportion between surplus value and the total cap-

ital. The capitalist increases his surplus value by increasing either the length of the working day, the intensity of labor, or the productiveness of labor: the records of English factory development are black with evidences of all these forms of exploitation.[1]

The theory of surplus value stands or falls with the labor theory of value. "If we compare the two processes of producing value and of creating surplus value," Marx maintains, "we see that the latter is nothing but the continuation of the former beyond a certain point."[2] The theory is based on the assumption that the labor factor in production has the power, and the sole power, to create value. It is open, therefore, to all the objections which may be urged against this assumption. It errs in assuming that value is a phenomenon which has its origin solely or in determining degree in the field of production. It anticipates later productivity theories in making the untenable assumption that it is possible to isolate the contribution made by one of several factors in production, either from the technological or from the value standpoint. It errs consequently in assuming that we can determine the contribution made by constant capital to the value of the product, and identify it with the value consumed. Its assertion of the sole validity of the factor of labor in creating value and surplus value rests on no more substantial ground than a philosophical presumption of the superior validity of personality; as untenable as the parallel assumption of the superior validity of Nature which lay behind the theory of the Physiocrat that only the factor land could create value. The dash of Hegel has not improved Quesnay. And when Marx makes the labor employed in the field of production the sole source of surplus value, to the exclusion of labor engaged in commerce,[3] he is merely ringing the changes on another outworn economic shibboleth, the overstressed distinction between productive and unproductive labor.

[1] *Capital*, i, chap. 6–22. [2] *Ibid.*, p. 110. [3] *Ibid.*, ii, chap. 6.

Why, further, should the whole increase in the value be attributed to the workman, to "the actual producer, the laborer"?[1] One of the most astounding gaps in the Marxian theory is the almost total neglect of the function of the entrepreneur in modern industry, in seeking out the opportunities for development, in bringing together the various requisites of production, in the directing of operations and marketing the product. It is beside the point to reply that much of modern business enterprise is socially unproductive, is a mere Dick Turpin redistribution of others' gains, for here Marx is in the industrial, not the financial, sphere, dealing with the production of goods, not of stocks and bonds. Marx persistently refuses to make any adequate allowance for entrepreneur activity except as exerted to furthering the exploitation of the laborer.[2] It is not necessary to believe in the necessary equivalence, in actual dynamic conditions, of productive activity and distributive reward, or to indulge in Mallockian dithyrambs on Ability with a capital A, to find here an error which vitiates the whole Marxian system. Marx has described with eloquent fervor the increased efficiency of collective action,

[1] *Capital*, i, p. 124.

[2] Marx endeavors to distinguish between "the work of control made necessary by the coöperative character of the labor-process" and "the different work of control necessitated by the capitalist character of that process and the antagonism of interests between capitalist and laborer . . . a function of exploitation." — *Capital*, i, pp. 198–9. Cf. iii, chap. 23, where Marx makes an interesting analysis of the relation between profit and interest, concluding with the suggestion that the rise of a separate managerial class has made the industrial capitalist superfluous. Incidentally a point is raised which shows the logical reduction to the absurd of the doctrine that profit has its sole source in exploited wage-labor. "In one case known to me," Engels adds in a note to Marx's text, "after the crisis of 1868, a bankrupt manufacturer became the paid wage-laborer of his former employees. This factory was operated after the bankruptcy of its owner by a laborers' coöperative, and its former owner was employed as manager." — *Ibid.*, p. 456, n. By what device of lengthened hours or intensified labor his employers sweated their surplus value out of "the paid wage-laborer," its sole possible source, is not stated.

—"the new power, namely, the collective power of masses. . . . Just as the offensive power of a squadron of cavalry or the defensive power of a regiment of infantry is essentially different from the sum of the offensive or defensive powers of the individual cavalry or infantry soldiers taken separately, so the sum total of the mechanical forces exerted by isolated workmen differs from the social force that is developed when many hands take part simultaneously in one and the same undivided operation."[1] Does a Ney or a Sheridan count for nothing in a cavalry charge? Is "the offensive power of the cavalry charge," "the social force" of the group of workmen, a thing quite independent of the genius and the impelling power of the leader? Marx is right in recognizing that the force of men in a group is quite other than the sum of their individual powers; he is wrong in not seeing that the sum total varies with every leader, that the power of each worker varies not only with his companions but with his leaders, that a raw recruit under Napoleon the Great is vastly other than the same recruit under Napoleon the Little.

It is important to note that in his recognition of the new force developed by collective action, Marx, following Proudhon's lead,[2] proceeds to outline what is practically a distinct and contradictory theory of the origin of profit. The capitalist pays the hundred men he has hired "the value of 100 independent labor-powers, but he does not pay for the combined labor-power of the hundred. Being independent of each other, the laborers are isolated persons, who enter into relations with the capitalist, but not with one another. . . . Hence the productive power developed by the laborer when working in coöperation is the productive power of capital. . . . Because this power costs capital nothing, and because, on the other hand, the laborer

[1] *Capital*, i, pp. 194–195.

[2] Cf. Leroy-Beaulieu, *Le Collectivisme*, p. 278; Marx, *Poverty of Philosophy*, p. 67.

himself does not develop it before his labor belongs to capital, it appears as a power with which capital is endowed by Nature — a productive power that is immanent in capital."[1] Virtually, therefore, surplus value is no longer the difference between the value of the individual's maintenance and the value of his product, but the difference between the value of the labor-powers of the separate individuals and the value of the combined labor-power of the collective force. Obviously one or other of these explanations of the source of profit must be wrong. And not only does Marx suggest this other source of surplus value; he even admits that the new power is the "productive power of capital," and therefore, it may be inferred, not a product of exploitation of the laborers.

Again, the time element in the productive process is coolly disregarded. "In determining the value of the yarn," Marx declares, " . . . all the special processes carried on at various times and in different places, which were necessary, first to produce the cotton and the wasted portion of the spindle, and then with the cotton and the spindle to spin the yarn, may together be looked on as different and successive phases of one and the same process. The whole of the labor in the yarn is past labor; and it is a matter of no importance that the operations necessary for the production of its constituent elements were carried on at times which, referred to the present, are more remote than the final operation of spinning."[2] It would be equally a "matter of no importance," Marx would logically have to admit, whether the workmen were paid at the beginning of the long process or at the end.

Is it possible to put the surplus-value theory on sounder foundation by maintaining that values are not exchange values? This query brings up the often-threshed-out question of the contradiction between the first and third volumes of "Capital," which need be only briefly touched on

[1] *Capital*, i, p. 199. [2] *Ibid.*, p. 104.

here. The doctrine of surplus value, as laid down in the first volume, asserts that surplus value accrues only on the variable capital, the wage investment. It would follow, then, that the rate of profit in different industries would vary with the proportion of laborers employed. But it is patent that this is not the case: "every one knows that a cotton spinner who, reckoning the percentage on the whole of his applied capital, employs much constant and little variable capital, does not on account of this pocket less profit or surplus value than the baker, who relatively sets in motion much variable and little constant capital." [1] The same difficulty proved a stumbling-block in Rodbertus' labor theory of value. Marx promised its solution in the forthcoming third volume. The second volume, "Capitalist Circulation," a modernized *Tableau Économique*, containing some keen analysis, much wearisome scholastic repetition and arithmetical calculation, and little of the fire and heat that make the first volume a living force, appeared under Engels' editorship in 1885, two years after Marx's death. In the preface Engels challenged those who had been depreciating Marx's work in comparison with Rodbertus' theories, to demonstrate what the economics of Rodbertus could accomplish, to "show in what way an equal average rate of profit can and must come about, not only without a violation of the law of value, but by means of it." [2] The third volume did not appear until 1894, twenty-seven years after the publication of the first, although the greater part of it had been drafted in the sixties. Great was the astonishment when the oracular solution turned out to be a virtual abandonment of the earlier value theory in favor of an ordinary cost of production doctrine. Profits, Marx now declared, are equalized by competition. Originally the rates differed in accordance with the proportion of variable capital employed, but through the working of competition capital is withdrawn from the sphere with low profit rates

[1] *Capital*, i, p. 181. [2] *Ibid.*, ii, p. 28.

and thrown into the industry with the higher rates, so that the rates are reduced to an average throughout the whole field of industry. It follows that commodities are not sold at their values, but in accordance with their price of production, that is, their cost price plus the average profit.[1]

Marx has solved the one contradiction by another. He reconciles the law of surplus value with the fact of equalized profits only by abandoning the foundation on which that law was based. The discrepancy between the first volume, in which prices are held to conform at least ultimately to values, and the third, in which they are normally at variance, is patent. Marx attempts indeed to maintain consistency by showing that the law of labor-value is still in operation, even though in a different way. It governs the price of individual products, he declares: "if the labor-time required for the production of these commodities is reduced, prices fall; if it is increased, prices rise, other circumstances remaining the same."[2] Doubtless, "other circumstances remaining the same," changes in one factor will be followed by corresponding changes in the result, but this is hardly equivalent to proving that the other circumstances so cavalierly disposed of are not factors of equal importance. No more successful is the contention that, after all, "the sum of the profits of all spheres of production must be equal to the sum of surplus values, and the sum of the prices of production of the total social product equal to the sum of its values."[3] As Böhm-Bawerk has sufficiently shown, a law of value has to do only with explaining the proportions in which separate commodities exchange with one another, not with a total in which all differences are averaged out.[4] What a total of prices, of ratios and proportions, could be, is not clearly visible.

Aside from its inconsistency with his previous theory, Marx's doctrine of the equalization of profits by compet

[1] *Capital*, iii, chap. 8–12. [2] *Ibid.*, p. 208. [3] *Ibid.*, p. 204.
[4] *Op. cit.*, pp. 70, *seq.*; cf. Komorzynski, *op. cit.*, p. 292.

tion is open to objection in its assertion of a primitive superiority of profits in industries in which variable capital predominated. There has not as a matter of historical fact been any such trend from primitive inequality to present equality. "The equality of profits," declares Professor Lexis, "appears *pari passu* with capitalistic methods and in inseparable connection with them; much as in the embryo, the circulation of the blood develops *pari passu* with the development of shape and form." [1]

With the shift from a labor-cost theory of value to the ordinary cost-of-production basis, the ground is cut from under the doctrine of exploitation, based, as that doctrine is, on the assumption that only variable capital produces surplus value. Had the third volume of "Capital" appeared at the same time as the first, little would have been heard about "exploitation" from socialist platforms. So far from its being true that Marx's severest stricture on the iniquities of the capitalist system is that "contained by implication in his development of the manner in which actual exchange value of goods systematically diverges from their real (labor-cost) value," [2] Marx explicitly and repeatedly states, in his analysis of surplus value and the bitter arraignment of capitalism deduced from it, that "I assume that commodities are sold at their value." [3] The whole doctrine of surplus value and the laws of capitalist development based upon it rest on the assumption that this theory of value affords an interpretation of actual market facts. If it is so meant, it confessedly breaks down; if it is not so meant, the whole theory is hopelessly futile and up in the air. The defenders of the labor theory of value may choose either horn of the dilemma, that it is an

[1] *Quarterly Journal of Economics*, x, p. 10; and cf. Sombart in Braun's [illegible] vii, p. 585.

[2] [illegible]blen, *Quarterly Journal of Economics*, xx, p. 587.

[3] *Capital*, i, p. 324. Cf. i, p. 376: "In the chapters on the production of surplus value it was constantly presupposed that wages are at least equal to the value of labor-power."

erroneous solution of the problem of exchange value, or that it is not a solution of the problem at all. It is no defense to urge the permissibility of using working hypotheses known not to correspond to facts, and later correcting the deductions reached in light of the omitted facts, for here no corrections are made of the deductions reached; it must not be lost sight of that the Marxian theory of capitalist development is based, not on the amended and innocuous theory of value reached in the third volume, but on the crass labor-value theory of the first volume. If the esoteric interpretation of Marx is correct, if the theory of value and the theory of surplus-value exploitation are merely hypotheses which do not correspond to reality, the whole popular propaganda of Marxism is built on a sham, and the millions of workingmen who have been told by press and pamphlet and platform orator that here was the scientifically discovered key to all their ills have been fed on an empty scholastic exercise, a many-hundred-paged disquisition on "the balance between goods . . . in point of the metaphysical reality of the life process."

Doubtless in the discussion of Marxism a disproportionate amount of attention has been centred on the value and surplus-value theories to the exclusion of the theories of capitalist accumulation. This prominence is due in part to their ready availability for commiratory purposes. Declarations that all value is created by the toil of the laborer, and that the capitalist's income comes from the appropriation of a share of this value, were of obvious demagogic usefulness, especially when presented without any of the qualifications Marx attached. Marx himself professed to base the claim and the coming of socialism on a calm, scientific analysis of existing industrial forces and their inevitable outcome, and not on the "right of the workman to the full produce of his labor," or on an appeal to the moral indignation of the oppressed and the sympathetic. Yet even in Marx ethical judgment and partisan passion are never far distant and

in his less scientific followers this moral aspect of his theories attains more marked predominance.

The stress laid on these doctrines is also due to their real importance in the closely knit Marxian theory. Recent disciples, it is true, have sought to save the rest of the system from discredit by declaring that no necessary connection exists between the value and the surplus-value doctrine and the doctrines of capitalist development. "A scientific basis for socialism or communism," Bernstein concludes, "cannot be supported on the fact only that the wage-worker does not receive the full value of the product of his work. 'Marx,' says Engels in the preface to the 'Poverty of Philosophy,' 'has never based his communistic demands on this, but on the necessary collapse of the capitalist mode of production which is daily being more nearly brought to pass before our eyes.'"[1] The quotation from Engels, on which this judgment is founded by Bernstein and Simkhovitch, is oddly misapplied. A reference to Engels' context shows that the foundation that Marx rejected is not the labor theory of value, but the ethical condemnation of the capitalist system which the English socialists of the post-Ricardian school deduced from that theory.[2] Marx

[1] *Evolutionary Socialism*, p. 39. Cf. Oppenheimer, *Das Grundgesetz der Marxschen Gesellschaftslehre*, p. 15; and Simkhovitch, *Jahrbuch für Nationalökonomik und Statistik*, xvii, Heft 6: "Marx's socialist demands and his theory of value are genetically related, but systematically considered there is no connection whatever between them. In saying this I merely repeat something which is self-evident to every philosophically educated person who has grasped the Marxian philosophy. Anybody who cares can find specific statements to that effect in Marx and Engels. So says Engels about the relation of Marx's socialism to his theory of value: 'Marx therefore never based his communistic demands thereon, but on the inevitable breakdown of the capitalist mode of production which we daily see approaching its end.'"—Translated by Boudin, *Theoretical System of Karl Marx*, p. 150.

[2] "The above application of the theory of Ricardo, which shows to the workers that the totality of social production, which is their product, belongs to them because they are the only real producers, leads direct to communism. But it is also, as Marx shows, false in form, economically

based his communistic demands on the inevitable collapse of capitalism, it is true, but he deduced the inevitability of this collapse from his value and surplus-value doctrines. It is impossible to preserve the Marxian superstructure while rejecting the corner-stone.

speaking, because it is simply an application of morality to economics. . . . We say, 'That is unjust, it ought not to be'; that has nothing whatever to do with economics; we are only stating that this economic fact is in contradiction to our moral sentiment. That is why Marx has never based his communistic conclusions upon this, but rather on the necessary collapse of the capitalist mode of production which is being daily more nearly brought to pass before our eyes.'"—*Poverty of Philosophy*, translated by Quelch, p. vi.

The orthodox Marxian view on this point is trenchantly presented in the following passage from Boudin: "Our philosophically educated critic evidently got things somewhat mixed. Marx never based his communistic demands on the *moral application* of the Ricardian, or his own, theory of value. Nor on any morality for that matter. Therein he differed from the Utopian socialists who preceded him, and from such of those who followed him, who, like Bernstein for instance, have returned to the moral application of economic theories. That is why Bernstein and the rest of the Revisionists do not see the connection between the Marxian theory of value and his socialism. Any theory of value will do for them as long as it permits the *moral* application which they are after. And as any theory might be made to yield such a moral to those who look for it, they have become indifferent to theories of value in general. Not so with Marx. His socialism is scientific, as distinguished from Utopian based on moral applications, in that it is the result of 'the inevitable breakdown of the capitalistic mode of production.' But this inevitable breakdown can only be understood and explained by the aid of the Marxian theory of value. That is why this theory of value and his socialism are so intimately connected in his system. Marx based his socialism on his theory of value. But on its economic results, not on its moral application."—Boudin, pp. 151–152.

CHAPTER VII

THE MARXIAN ANALYSIS: III. THE LAW OF CAPITALIST DEVELOPMENT

(*a*) *Industrial Reserve Army*

MARX now proceeds to the third stage in his analysis of Capitalism. The materialistic conception of history, we have seen, gave him the key to the explanation of this, as of previous eras, as the multiform expression of a class struggle between exploiter and exploited. In the theories of value and surplus value he set forth the mechanism of capitalist exploitation. In the law of capitalist development he sums up the tendencies which dominate the existing order, and seeks to demonstrate the immanent necessity at once of the breakdown of capitalism and of the coming of socialism.

He begins by emphasizing the progressively increasing scale of capitalist production. The surplus value which the vampire capital has sucked from labor[1] rests at the capitalist's disposal. He may elect either to spend it in personal enjoyment or to reinvest it in production. He is torn between two passions, the passion for indulgence and the passion for accumulation. The capitalist of to-day is more likely than his grandfather to devote a considerable portion to luxury and display, the more so because a certain amount of conspicuous waste, "a conventional degree of prodigality," becomes a business necessity as the basis for credit. Yet the other passion conquers. He shares with the miser the passion for wealth as wealth, while in addition the de-

[1] "Capital is dead labor that, vampire-like, only lives by sucking living labor and lives the more the more labor it sucks." — *Capital*, i, p. 134.

mands of competition make it constantly necessary to increase the size of his undertaking: "Competition makes the immanent laws of capitalist production to be felt by each individual capitalist as external coercive laws." [1] "Therefore save, save . . . accumulate, accumulate. That is Moses and the prophets. . . . Accumulation for accumulation's sake, production for production's sake. . . . If, to classical economy, the proletarian is but a machine for the production of surplus value; on the other hand the capitalist is, in its eyes, only a machine for the conversion of this surplus value into additional capital." [2]

Marx proceeds to consider the effect of this automatic growth of capital on the lot of the working class. The most important factor in this investigation is the composition of capital and the changes it undergoes: the composition of capital being the proportion between variable capital, the sum total of wages, and constant capital, the value of the plant and materials, or the proportion between capital goods and the living labor-power, according as the standpoint of value or the standpoint of technical composition is chosen. Two hypotheses are considered: first, that the proportion remains unchanged; second, that the constant capital grows faster than the variable.

On the first hypothesis, Marx declares that any rise in wages will cut down profits, discourage accumulation, and lead eventually to a lowered wage again. In this argument he has merely refurbished one of the most questionable corollaries of that old wage-fund doctrine, "invented by God and Bentham," which he himself had vigorously criticised.[3] His theory overlooks entirely the possibility of improved wages leading to increased efficiency and a higher productivity, with the result that profits would not be lessened in the slightest. Nor does it follow that "a smaller part of revenue is capitalized," even with efficiency and productivity at a standstill and profits consequently falling.

[1] *Capital*, i, pp. 371–372. [2] *Ibid.*, pp. 373–374. [3] *Ibid.*, p. 384.

If under revenue Marx means to include that portion of the product which falls to the workers, it is conceivable, though not highly probable, that the increased savings of the workers would make up for the decreased savings of the capitalists. And if, as is more probable, he means by the term merely that part which falls to the capitalists, it is far from being certain that a fall in the profit or interest rate would lead to slackening accumulation. A fall in interest rate does not affect the almost automatic "saving" from great surplus incomes which exceed the bounds of sane personal expenditure, while it stimulates rather than hinders saving for the maintenance of a definite standard of living in the future.[1] It may be observed that while Marx makes no explicit statement as to the variations in the numbers seeking work, and holds vaguely that "accumulation of capital means increase of the proletariat," he evidently implies "the most favorable condition" of slower increase of population than of capital.[2]

It is, however, the second hypothesis, the relative increase of constant capital, on which Marx lays chief stress. In this investigation he recurs to the problem of the effect of machinery discussed at an earlier stage,[3] but approaches it from a somewhat different angle. Instead of considering the effect of the introduction of machinery in certain industries primarily on the workmen in those trades, he takes society as a whole and studies the general results of the tendency of constant capital to gain at the expense of variable. This tendency is deduced from the fact that "with the division of labor in manufacture and with the use of machinery more raw material is worked up in the same time, and, therefore, a greater mass of raw material and auxiliary substances enter into the labor process," and

[1] Cf. Clark, *Essentials of Economic Theory*, chap. xx, and Hobson, *Economics of Distribution*, p. 158.

[2] Cf. Kautsky, *Karl Marx' Oekonomische Lehren*, 12th edition, p. 236.

[3] *Capital*, i, chap. 15; see above, p. 33.

from the growing concentration of industry and the increasing scale of its operations. It results in, or rather is identical with, a relative decrease of the capital expended in the purchase of labor-power. A steam plow is an incomp . 'y better instrument of production than an ordinary plow, but the capital it represents would employ more men if laid out in ordinary plows. The relatively smaller proportion of capital available for the hire of laborers means that large numbers are unable to find employment. There grows up an "industrial reserve army," which is necessary for the smooth working of the capitalist system, making possible sudden expansions in new directions without dislocating existing industries. The ranks of this army may be swelled by the success of the capitalist in pressing a given quantity of labor out of fewer laborers by slave-driving methods. The pressure of this surplus population for employment forces those who have found positions to submit to overwork and lower wages. "Taking them as a whole, the general movements of wages are exclusively regulated by the expansion and contraction of the industrial reserve army. . . . They are therefore not determined by the variations of the absolute number of the working population, but of the varying proportions in which the working class is divided into active and reserve army." [1]

This doctrine of the industrial reserve army is the culminating point in the Marxian theory of capitalist evolution.[2] Yet in this crucial section the reasoning is incredibly loose and the basis in facts most insecure. Grant that variable capital, by which Marx means virtually the outlay in wages, is decreasing relatively to capital as a whole. This, of

[1] *Capital*, ii, pp. 390–401.

[2] "The law of accumulation, with its corollary, the doctrine of the industrial reserve army, is the final term and the objective point of Marx's theory of capitalist production, just as the theory of labor-value is his point of departure." — Veblen, *Quarterly Journal of Economics*, xx, p. 589.

course, does not prevent its absolute increase. The extent of unemployment will increase only if the variable capital is increasing more slowly than the work-seeking population, not than all capital. It is, to adopt Marx's semi-wage-fund basis of reasoning, the proportion between variable capital and population which is really important, not the proportion between the constituent parts of capital. Marx's position would be justified only if he proved that population, or at least the amount of labor-power in the market, is bound to increase faster than variable capital. The nearest approach to an argument is the contention that, to quote Adam Smith, "poverty is favorable to generation"; and, Marx continues, "not only the number of births and deaths but the absolute size of the families stand in inverse proportion to the height of wages and therefore to the amount of means of subsistence of which the different categories of laborers dispose."[1] Probably Marx is here nearer the truth than is Malthus, but what of it? If at all, this proposition is true only where a given degree of poverty exists to begin with, and Marx makes no attempt to demonstrate that the bulk of the working classes of England was as a matter of fact in that despairing, caste-barriered, and caste-contented stage where population is restrained by no considerations of prudence or hope of rising. At most, the proposition, if proved, only demonstrates that population increases faster in poverty than in luxury; it throws no light on the rate of its increase relatively to variable capital.

Nor is Marx more fortunate in his appeal to facts. He quotes from the census returns of England and Wales in 1851 and 1861 to prove his contention that opportunities of employment are decreasing.[2] True, some of these trades selected show an absolute decrease of numbers employed, and if the totals are taken and compared with the total population at the different times (an operation which Marx

[1] Veblen, *Quarterly Journal of Economics*, xx, p. 405. [2] *Ibid.*, p. 396.

does not perform) it will be seen that there has been a relative falling-off, that these trades offered fewer openings in proportion to the work-seeking population in 1861 than in 1851. But what tyro in statistics would imagine that that proved the proposition of a *general* decrease in employment opportunities? Marx has picked out fourteen of the hundreds of occupations, picked at random or because of their stationary or retrograde character, comb-making and chandlery lumped with coal-mining and cotton-weaving, and offers them as typical of the whole industrial situation. The fallacy lies in overlooking the fact that the very essence of modern industrial progress rests in the ability to satisfy specific wants with an ever smaller proportion of society's force of labor and capital, thus setting the rest free for the provision of new services and commodities. Had Marx taken the sum total engaged in *all* the branches of manufacture at the two periods in question, he would have been compelled to admit that whereas in 1851, of every 1000 there were 152 engaged in manufacturing, in 1861 there were 154 so engaged.[1] The statistical basis of the doctrine of the industrial reserve army is as weak as its logical basis.[2]

[1] Based on Mulhall, *Dictionary of Statistics*, 1892, pp. 424, 444.

[2] Marx's main contention, that variations in the composition of capital create an industrial reserve army, which is bound to increase with the ever-growing proportion of constant capital, does not stand analysis. His suggestion, adopted from Merivale, that a reserve of labor, however created, and whether increasing or decreasing, is necessary for the smooth working of the capitalist system, has more plausibility. It is necessary, according to Marx, in view of the great fluctuations in demand for labor in good times and bad times, that the capitalist should be able, when prosperity is at its height, to throw "great masses of men suddenly on the decisive points without injury to the scale of production in other spheres." There is much force in this. Yet it does not follow that cyclical fluctuations in demand for labor necessarily involve the unemployment of large numbers in times of depression. The distinction between labor-power and number of laborers, which Marx makes for another purpose (*ibid.*, p. 399), serves to remind us that the worst consequences of fluctuation may be averted by altering the hours worked rather than the number employed,

This theory, it will be apparent, is radically different from the iron law of wages adopted by Lassalle, with enthusiastic pessimism, from current classical economics, and frequently but erroneously saddled on Marx, whose disciples forced its exclusion from the official programme of German Social Democracy at the Erfurt revision in 1891. The Lassallian doctrine, a combination of Ricardian value theories and Malthusian population theories, asserts first, a normal point about which wages gravitate, namely, the barely necessary means of subsistence, and second, a force which makes wages gravitate towards this point, namely, the tendency of population to increase with prosperity and decrease in adversity.[1] Marx has also a subsistence-wage doctrine; in his exposition of the theory of surplus value he maintained that the value of labor-power is fixed by its labor-cost, by the quantity of labor necessary to produce the means of subsistence. Especially in his version stress is laid on the historical and conventional influences; the standard of living is not a physiological minimum, but varies indefinitely with the traditions of the

thus preventing the concentration of unemployment on a hapless minority. Further, so far as unemployment of a minority does result, recent developments in insurance against unemployment show that it is quite possible to make each industry pay for the upkeep of whatever reserve it finds necessary to provide. Cf. Beveridge, *Unemployment, a Problem of Industry*.

[1] "The merciless economical rule, under which the present system fixes the rate of wages, in obedience to the so-called law of supply and demand for labor, is this: that the average wages always remain reduced to that rate which in a people is barely necessary for existence and propagation; a matter governed by the customary manner of living of each people. That is the inexorable point about which the real wages always gravitate; neither keeping long above or below it. Were it to remain for any length of time above it, there would be an increase of marriages, from which would flow a greatly increased number of the working element, which would invariably bring down the wages below its former rate. The wages also cannot fall with anything like permanence below the ordinary rate of living; as from it would flow emigration, celibacy, restraint in the number of births, circumstances in the end lessening the number of laborers." — Lassalle, *Open Letter*, translated by Ehmann and Bader, pp. 17–18.

working class.[1] In this part of his theory Marx is fully as optimistic as Lassalle; a subsistence level which includes all conventional requirements is quite consistent with steady improvement. But the case is different when the second portions of the two theories are compared. The Lassallian doctrine implies a rhythmic readjustment of wages above and below the normal point. Marx's industrial reserve army theory, based on a repudiation of Malthus and all his works, offers the possibility of a fall in wages becoming cumulatively worse, without any compensating action.[2]

The relation between the two Marxian positions on the wages question — the subsistence and the industrial reserve army theories — is not made clear. In the chapter on the conversion of surplus value into capital, there is a passage which at first glance appears to imply that the subsistence theory was merely a hypothesis not entirely borne out by fact. After reminding us that "in the chapters on the production of surplus value it was constantly presupposed that wages are at least equal to the value of labor-power," Marx adds, "Forcible reduction of wages below this value plays, however, in practice, too important a part for us not to pause upon it for a moment. It in fact transforms within certain limits the laborer's necessary con-

[1] "The number and extent of the workman's so-called necessary wants, as also the modes of satisfying them, are themselves the product of historical development, and depend therefore to a great extent on the degree of civilization of a country — more particularly on the conditions under which, and consequently on the habits and degree of comfort in which, the class of free laborers has been formed. In contradistinction, therefore, to the case of other commodities, there enters into the determination of the value of labor-power an historical and moral element." — *Capital*, i, p. 93. Lassalle also recognizes conventional elements in the standard of living.

[2] Marx comments trenchantly on the doctrine set forth above: "Before, in consequence of the rise in wages, any positive increase of the population really fit for work could occur, the time would have passed again and again, during which the industrial campaign must have been carried through, the battle fought and won." — *Ibid.*, p. 401.

sumption fund into a fund for the accumulation of capital. . . . The constant tendency of capital is to force the cost of labor back toward this zero."[1] It will be seen, however, referring to the instances given, that a fall in wages through a reduction in the standard of living from the adoption of cheaper or adulterated foods is an illustration rather than a violation of the subsistence theory, while the poor-law example cited has to do with a situation where wages are fixed by legal authority, not by competition, and thus falls outside the limits within which Marx is pursuing the trail of capitalism.[2] If, then, both the doctrines are supposed to be retained, Marx is faced with this difficulty: either the subsistence level of wages and the level fixed by the competition of the industrial reserve army are independent, in which case we have two unreconciled wage doctrines, or there is a causal connection between the fluctuations of the industrial reserve army and the fluctuations of the standard of living, in which case there is obvious circular reasoning, the existence of the industrial reserve army being thus assumed in the proof of the surplus-value theory and surplus value later taken as the basis of the formation of the industrial reserve army. Since thus far at least prices of

[1] *Capital*, i, p. 376. After quoting a representative of the "innermost secret soul of English Capitalism" who sighs for a reduction of the English laborer's standard, including brandy, gin, tea, sugar, foreign fruit, strong beer, tobacco and snuff, to the French (agricultural) laborer's level of bread, fruit, herbs, roots, dried fish, and "water or other small liquors," Marx proceeds: "Twenty years later an American humbug, the baronized Yankee, Benjamin Thomson (alias Count Rumford), followed the same line of philanthropy to the great satisfaction of God and man. His 'Essays' are a cookery-book with receipts of all kinds for replacing, by some succedaneum, the ordinary dear food of the laborer. . . . With the advance of capitalistic production, the adulteration of food rendered Thomson's ideal superfluous. At the end of the eighteenth and during the first ten years of the nineteenth century, the English farmers and landlords enforced the absolute minimum of wage by paying the agricultural laborers less than the minimum in the form of wages and the remainder in the shape of parochial relief."

[2] *Ibid.*, p. 96.

labor as of other commodities are assumed to be equal to values, there is no escape from this dilemma through the plea of their divergence.

(*b*) *Increasing Misery*

But to return to Marx's forecast of the development of capitalist society, especially so far as the workers are concerned. The climax of his arraignment is his picture of the misery, slavery, and degradation into which the working class are to sink deeper and deeper until the day of revolution dawns. He reiterates the charges brought against the capitalist system to the effect that "all methods for raising the social productiveness of labor are brought about at the cost of the individual laborer; all means for the development of production transform themselves into means of domination over and exploitation of the producer; they mutilate the laborer into a fragment of a man, degrade him to the level of an appendage of a machine, destroy every remnant of charm in his work and turn it into a hated toil; they estrange from him the intellectual potentialities of the labor process in the same proportion as science is incorporated in it as an independent power; they distort the conditions under which he works, subject him during the labor process to a despotism the more hateful for its meanness; they transform his lifetime into workingtime and drag his wife and child beneath the wheels of the Juggernaut of capitalism." Then, occupying new ground, he declares that the formation of the industrial reserve army involves a cumulative degradation; not only are things in an evil state but they must grow continually worse. For "all methods for the production of surplus value are at the same time methods of accumulation; and every extension of accumulation becomes again a means for the development of those methods. It follows, therefore, that in proportion as capital accumulates, the lot of the laborer, be his payment high or low,

must grow worse The law, finally, that always equilibrates the relative surplus population or industrial reserve army, to the extent and energy of accumulation, this law rivets the laborer to capital more firmly than the wedges of Vulcan did Prometheus to the rock. It establishes an accumulation of misery, corresponding with accumulation of capital. Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole — i.e., on the side of the class which produces its own product in the form of capital. . . . Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist production itself."[1] The conclusion is in essence the same as the briefer forecast made in the Communist Manifesto: "The modern laborer, on the contrary, instead of rising with the progress of industry, sinks deeper and deeper below the conditions of existence of his own class. He becomes a pauper, and pauperism develops more rapidly than population and wealth."[2]

This climax of pessimism is also a climax of unfulfilled prophesying. No social fact is better established than that the forty years which have passed since Marx penned this dismal forecast have brought the working classes in every civilized country not increasing degradation, misery, and enslavement, but increasing material welfare, freedom and opportunity of development. This betterment is so patent that it is necessary to cite in proof only a few typical facts out of the mass of evidence available. It is undeniable that

[1] *Capital*, i, pp. 406–407, 487.
[2] P. 31.

wages have risen all along the line, whether money wages or real wages be considered.[1] Equally significant are the statistics of consumption of those articles in the demand for which the working classes exercise a preponderating influence. The per capita consumption of many commodities — wheat flour, cocoa, coffee, cotton, currants and raisins, meat, rice, sugar, tea, tobacco, wool, wine, spirits, malt and beer — in the United Kingdom shows an increase of over twenty per cent since Marx wrote.[2] Further, it should be remembered that in addition to his heightened individual purchasing power the modern workman shares in those many free public services which state or private beneficence places at his disposal, — schools, parks, museums,

[1] Out of the mass of statistics bearing out this point the following table from Bowley may be selected for its brevity and authoritativeness:

MOVEMENTS OF REAL AND NOMINAL WAGES IN THE UNITED KINGDOM, FRANCE, AND THE UNITED STATES, FROM 1844–53 TO 1884–93

	1844 to '53	1854 to '63	1864 to '73	1874 to '83	1884 to '93	1891	Increase from 1844–53 to 1884–93
United Kingdom, Nominal	61	73	82	93	95	100	64%
United Kingdom, Real	53	51	59	82	97	100	88
France, Nominal	52	65	73	86	95	100	92
France, Real	55	61	67	78	94	100	81
United States, Nominal	53	58	72	86	95	100	88
United States, Real	54	53	57	75	95	100	85

— Bowley, *Econ. Jour.*, viii, p. 488.

More recent tendencies in the United States, for example, show a slower rate of increase in real wages. "As compared in each case with the average for the years from 1890 to 1899, the average wages per hour in 1907 were 28.8 per cent higher, and the average hours of labor per week were 5.0 per cent lower. . . . The retail price of the principal articles of food, weighted according to family consumption of the various articles, was 20.6 per cent higher. . . . The purchasing power of an hour's wages in 1907 was 6.8 per cent higher, and of a full week's wages 1.5 per cent greater." — *Bulletin, Bureau of Labor*, July, 1908, pp. 1–6.

On German conditions, cf. Sombart: "In the kingdom of Saxony the persons with an income of less than 500 marks formed 51.51 per cent of the population in 1879, only 36.59 per cent in 1894, and 28.29 per cent in 1900. In Prussia in 1892, 70.27 per cent of the people possessed an income of less than 900 marks, in 1900, 62.41 per cent, and in 1906 only 56.2 per cent." — *Sozialismus und soziale Bewegung*, 6th edition, p. 96.

[2] *Journal, Royal Statistical Society*, Dec., 1899.

and libraries. If we turn to the mortality tables, the almost unbroken fall of the death-rate bears witness in the same direction, and a study of the occupational rate makes it evident that the improvement has been general throughout all classes of society.[1] Housing conditions in the country which Marx considered the classic land of capitalism reveal steady betterment.[2] The same tale is told by the reports of friendly society funds, trade-union incomes, and

[1] ANNUAL DEATH-RATES PER 1000 PERSONS, 1850–1905

Year	*England and Wales*	*France*	*Prussia*	*Belgium*
1850	20.8	21.4	26.1	21.0
1860	21.2	21.4	23.7	19.6
1870	22.9	23.4	27.2	23.3
1880	20.5	22.9	25.5	22.3
1890	19.5	22.8	24.0	20.85
1900	18.2	21.9	21.8	19.3
1905	15.2	19.6	19.6	16.5

COMPARATIVE MORTALITY OF MALES IN DIFFERENT OCCUPATIONS 1890–2 AND 1900–2, IN ENGLAND AND WALES

Occupation	*1890–2*	*1900–2*	*Occupation*	*1890–2*	*1900–2*
1. Clergyman	615	515	22. Farm laborer	731	572
2. Barrister	950	739	40. Printer	1267	935
3. Law clerk	1257	880	45. Baker	1061	852
4. Physician	1118	970	59. Metal-worker	1283	977
5. Schoolmaster	698	599	60. Bricklayer	1150	862
6. Artist	900	760	74. Cotton manufacturer	1318	1037
11. Railway engineer	934	582	75. Lace manufacturer	819	831
12. Railway guard	953	773	83. Coal-miner	1068	846
17. Seaman	1564	1547	95. General laborer	1413	1087
18. Dock laborer	2114	1574	105. Other occupations	980	837
21. Farmer	651	562			

99 out of 105 occupations show a decrease.

— *65th Annual Report, Registrar-General of England and Wales, 1908.*

[2] HOUSING CONDITIONS, ENGLAND AND WALES

Class of Tenements	*Total number of occupants of each class of tenements*			
	Number		*Percentage of population*	
	1891	1901	1891	1901
Tenements of 1 room	640,410	507,763	2.3	1.6
Tenements of 2 rooms	2,416,617	2,158,644	8.5	6.6
Tenements of 3 rooms	3,227,464	3,186,640	11.1	9.8
Tenements of 4 rooms	6,814,069	7,130,062	23.5	21.9
Tenements of 5 rooms or more	15,903,965	19,544,734	54.9	60.1
	29,002,525	32,527,843	100.0	100.0

— Section ii, *Public Health and Social Conditions*, Cd. 4071, London, 1909; throughout an admirable and convenient review of English social dynamics since 1850.

savings-banks deposits.[1] And if we consider the statistical evidence which Marx himself brought forward in this connection the result is the same. As usual, it is scanty and rather scrappy, used as buttress, not foundation. Appropriately the examples are all taken from England, "the classical example, . . . because it holds the foremost place in the world market, [and] because capitalist production is here alone completely developed." [2] There are a couple of sentences affirming that the cost of living was increasing, based on orphan asylum records for brief periods.[3] Alongside Marx's deductions from this scanty evidence may be set for comparison the results of the British Board of Trade's investigations in the average retail prices of food to workmen's families for a quarter-century.[4] Next Marx turns to "official pauperism, or that part of the working class which has forfeited its condition of existence (the sale of labor-power) and vegetates upon public alms." The period from 1856 to 1865, he continues, reveals a steady growth, which would be greater were it not for the fact that "the official statistics become more and more misleading as to the actual extent of pauperism in proportion, as with the accumulation of capital, the class struggle, and therefore the class consciousness of the workingmen develop, e. g., the barbarity in the treatment of paupers, at which the English press have cried out so loudly during the past two years, is of ancient date." [5] While the many

[1] *Public Health and Social Conditions*, section VI.

[2] *Capital*, i, p. 408.

[3] "As to the cheapening of the means of subsistence, the official statistics, e. g., the accounts of the London Orphan Asylum, show an increase in price of 20 per cent. for the average of the three years 1860–62 compared with 1851–53. In the following three years, 1863–65, there was a progressive rise in the price of meat, butter, milk, sugar, salt, coals, and a number of other necessary means of subsistence." — *Ibid.*, p. 411.

[4] *Memorandum of Board of Trade on British and Foreign Trade and Industrial Conditions*, 1903, p. 216. Cf. also memorandum in *Report of Poor-Law Commission*, 1909, ix, Appendix XXI, E.

[5] *Capital*, i, p. 412.

changes in the system of relief make accurate comparison impossible, it is worth noting that in 1908 the average daily number of paupers relieved in England and Wales was 25.7 per thousand of the population, as against an average of 46.7 in the period to which Marx refers. That this decrease in pauperism is not due to any "barbarity in treatment," but has gone along with a steady increase in the humanity, the discrimination, and the efficiency of administration, no one familiar with poor-law affairs will deny, even though opinion be equally unanimous that there is still great room for improvement in the treatment of those in need of public assistance.[1]

So untenable is the assertion that the condition of the working classes is growing worse that the defenders of the Marxist faith to-day frequently shift ground. Kautsky, on whom the mantle of Marx as chief expounder of the faith of German social democracy has fallen, has been particularly ingenious in attempting to explain away the master's error.[2] He finds comfort in the contention that if conditions in the older capitalist countries are improving, new regions are continually being opened up to exploitation, and that in Italy and Russia and China, at all events, misery is growing, — a contention doubtful in itself, apparent increase in misery frequently meaning only that the operations have been shifted from the obscurity of the overworked domestic industry to the blazing publicity of the factory, and of no avail to buttress the contention of inevitable increasing misery in the lands where the modern industry is well established. He points also to the increase in the number of women in shop and factory work, failing to attach due importance to the extent to which this, as pointed out above, merely represents a shifting of the place of employment, or is due to the influence of the emancipation of women; rings the changes on the monotony of the workman's toil,

[1] Cf. *Report of Royal Commission on the Poor-Laws*, 1909, i–iii.

[2] *Bernstein und das sozialdemokratische Programm*, pp. 114–128.

without attempting to prove that it grows any more monotonous, and naïvely maintains that, after all, it is only the effects of the tendency to increasing misery which have been counteracted, the tendency itself remaining unabated. This of course concedes the whole case. A tendency the evil effects of which are continually counteracted by tendencies working in the other direction is no cause for alarm.

The contention in which the neo-Marxists find most comfort, however, is that, even if the working classes are better off to-day than yesterday, they are worse off relatively to their richer neighbors, that the gap between rich and poor is wider than ever. Doubtless it is this comparison, the comparison between one's self and one's richer neighbor, not the comparison between one's self and one's grandfather, which is psychologically important; it is this which determines content or discontent, as men go. Doubtless, too, the case is not so favorable looked at from this standpoint, so far as may be judged from cursory observation. It is true that "the real statement should be, the rich are growing richer; many more people than formerly are growing rich, the poor are growing better off."[1] As to what the rate of progress in each case is, and which is greater, it is not easy to determine. It is patent that there is a greater monetary gap between a Rockefeller or a Morgan and the average laborer than there was between corresponding figures a generation ago. But that the rich, as a whole, are being enriched faster than the poor, as a whole, is probably not true. In the present unsatisfactory condition of statistical data bearing on the subject, exact conclusions are difficult to reach. The recent estimate made by Professor Bowley, however, is careful and may be taken as approximately correct. He sums up his investigation of income changes in Great Britain in the past twenty years in the statement that "if we compare the period 1898–1902 with

[1] Wright, *Outline of Practical Sociology*, p. 345.

1883 to 1887, it appears that the total income of the nation has increased not less than 38 per cent, the population about 15 per cent, and the average income per head not less than 20 per cent. . . . The part of the national income received as wages, on the basis of the figures given above, appears to have increased 50 per cent in total or 30 per cent per wage-earner; the part under the review of the Inland Revenue Department (approximately the amount liable to income tax) has increased from 35 to 40 per cent relatively to the population." [1] Thus the rate of increase among the wage-earners alone is decidedly greater than the increase in the nation as a whole. The ablest contribution made to the subject by any socialist writer is Mr. Chiozza-Money's study of the distribution of British wealth, "Riches and Poverty." The worst he can say is that the working classes are exactly at the point where they were forty years ago, relatively to the rest of the nation. In his concluding summary he accepts Dudley Baxter's estimate "that in 1867, the population being 30,000,000, the manual workers, then estimated to number 10,960,000, took £325,000,000 out of a total national income of £814,000,000," and puts beside this his own computation, — very fair but not erring on the side of optimism, — that the manual workers in Britain to-day, numbering 15,000,000 out of 43,000,000, take about £655,000,000 out of a total estimated income of £1,710,000,000.[2] That is, the manual workers in 1867, when they were 36.5 per cent of the population, took 39.9 per cent of the total income; in 1907, when they were 34.8 per cent of the population, they received 38.3 per cent of the wealth; had they still formed the same proportion of the whole population they would have received 40.1 per cent in the latter year. At worst, then, society is marking time.

Nor, were the contention of relative increase of misery

[1] *National Progress in Wealth and Trade since 1882.*

[2] Chiozza-Money, *Riches and Poverty*, 5th ed., p. 310.

sounder than it is, could it avail to rescue Marx. The "misery" which he forecasts cannot be made synonymous with "less luxury." "Agony, slavery, ignorance, brutality, mental degradation," these are sheer absolute terms which cannot be twisted to fit the situation of the man whose worst grievance is that his income has only doubled while his neighbor's has trebled. In the passage quoted from the Communist Manifesto the matter is removed beyond doubt, the comparison is explicitly not with other classes: "the modern laborer, instead of rising with the progress of industry, sinks deeper and deeper below the condition of *his own class.*" As a German socialist protested in the Bernstein debate at the Lübeck Congress, with reference to Kautsky's attempts at reinterpretation: "If one alters one's opinion one should have the courage and the strength to say, 'We made a mistake.'"[1] The forecast was one which had much plausibility in the forties when Marx's life attitude was being shaped, and even in the fifties and sixties when English blue-books were revealing the inhuman conditions which unregulated competition had produced in many occupations, and providing Marx with the ammunition which he was to use with such explosive effect. Fortunately the conditions revealed were transitory and exceptional in their extremity, and the generalizations rashly based on these data have failed to stand the test of time. Marx underestimated both the power of the awakened conscience of the nation, expressing itself in legislation, and of the organized self-help of trade unionism, to lift the workingman above the level of isolated and unaided weakness. And for disregard of these and other vital factors his theory on this point must now be relegated to the economic lumber-room, whither so many once-vaunted doctrines, orthodox and heterodox alike, have preceded it.

[1] Eduard David, cited in Ensor, *Modern Socialism*, p. 165.

(c) *Concentration and Centralization*

MARX's next attempt to divine from the immanent laws of capitalist production the future trend of industry has met with better fortune. His forecast of the concentration of industry is the portion of his theory which has come nearest to being confirmed by time. The doctrine was already a familiar one in French socialist circles: Considérant and Pecqueur had both declared that the superiority of large-scale production would make industrial feudalism the only alternative to collective ownership, and Louis Blanc had found in "cheap prices" — the last word in defense of competition — the means by which the great capitalist would eat up the small.[1] Marx does not develop the theory in any detail: he rests the forecast on the same grounds as his forerunners. "The battle of competition is fought by cheapening of commodities. The cheapness of commodities depends, *ceteris paribus*, on the productiveness of labor, and this again on the scale of production. Therefore the larger capitals beat the smaller."[2] In manufacturing and agriculture alike the small producer is doomed.

The dominating position of the large-scale establishment and the tendency to combination among competing or complementing establishments are among the most conspicuous aspects of present-day industrial development. Where the product or service is staple and uniform, the process reducible to routine, the pace and quality of work subject to ready inspection and test, the way is open for the large-scale industry, and its superiority in the diminution of fixed charges per unit of product, the opportunity to secure high-priced but efficient management, improved processes, and up-to-date machinery, the greater range of division of labor and the fitting of capacity to task, the utilization of by-products, the wider and easier credit, the economies in purchasing supplies and selling output,

[1] *L'Organisation du Travail*, Paris, 1839, chap. iii. [2] *Capital*, i, p. 394.

enable it to outstrip its smaller rivals. So we find, in the United States, the capital investment of the average agricultural implement factory grow from $2674 in 1850 to $220,571 in 1900, of the iron and steel plant from $46,716 to $858,371, of the ship-yard from $5638 to $69,321, and of the meat-packing establishment from $18,824 to $168,172, accompanied in some cases by a decrease in the number of plants.[1] The possible advantages of combination are equally obvious, whether the aim is the suppression of competition, the realization of the economies of single control, or the integration of all the stages from extraction of the raw material to the delivery of the most highly finished product. So in extractive industry we see the United States' anthracite coal-supply controlled by a handful of companies; in transportation, railroad after railroad welded into gigantic Harriman or Hill or Canadian-Pacific systems, or huge fleets brought under a single International Mercantile Marine pennant; in manufacturing, the output of great staples, iron and steel, petroleum, tobacco, controlled by a few great trusts or cartels; in banking, particularly in England and Germany, amalgamation proceeding apace, and even in retail trade the chains of Lipton or United Cigar Company stores presenting the same tendency.

Marx must be given frank credit for his insight into the tendency of the time. Yet even here qualification must be made, so serious as to deprive the doctrine of any conclusive force. The extent to which concentration has advanced should not blind us to the fact that in some spheres it has not been manifest at all, and that even where it is at work it has not proceeded with the rapidity or the crushing finality Marx predicted.

The steady persistence of home industry, it should first be observed, is not really a contradiction of the Marxian prophecy. It has no independent strength; it is merely a parasite on the capitalist system. It survives by its weak-

[1] *Twelfth Census of the United States*, 1900, vii, p. lxxii.

nesses; so long as home workers in sweated trades are unorganized and over-numerous, so long as by their employment the entrepreneur may save outlay for plant and superintendence and escape the restrictions of factory legislation, so long will home work continue to maintain its equivocal existence and form the worst plague-spot in modern industry.

In industrial establishments proper, small-scale production, while not holding its own relatively, yet shows a vitality and persistence which give it promise of long lease of life. In catering to the increasing demands created by the expansion and refinement of wants, in auxiliary services attached to the production of gross staples, in all those lines where personal judgment and artistic skill still count, the small producer will continue to find a place, and an important one. It needs only a glance at the city about us or at the pages of the census reports to realize that, in spite of the dramatic emergence of the gigantic industry, the great bulk of the industry of the western world is still in the hands of small and medium producers.[1] In Prussia over five millions

[1] CLASSIFICATION OF INDUSTRIAL ESTABLISHMENTS IN GERMANY

		Number		*Per cent*	
		1882	1895	1882	1895
Small-scale industries	1–5 persons	2,175,857	1,989,572	95.8	92.6
Medium-scale "	6–50 "	85,001	139,459	3.8	6.5
Large-scale "	over 50 "	9,481	17,941	0.4	0.9
		Persons engaged		*Per cent*	
		1882	1895	1882	1895
Small-scale industries		3,270,404	3,191,125	55.1	39.9
Medium-scale "		1,109,128	1,902,049	18.6	23.8
Large-scale "		1,554,131	2,907,329	26.3	36.3

— *Statistik des Deutschen Reichs*, N. F. Bd. 119, Berlin, 1899.

CLASSIFICATION OF INDUSTRIAL AND COMMERCIAL ESTABLISHMENTS IN PRUSSIA

Establishments	*Numbers*		*Persons Employed*	
	1895	1907	1895	1907
Quite small (1 person only)	1,029,954	955,707	1,029,954	955,707
Small (2–5 persons)	593,884	767,200	1,638,205	2,038,236
Medium (6–50 ")	108,800	154,330	1,390,745	2,809,164
Great (51–500 ")	10,127	17,287	1,217,085	2,095,065
Very Great (501–1000 persons)	380	602	261,507	424,589
Giant (1000 persons & over)	191	371	338,585	710,253
	1,743,336	1,895,497	5,876,083	8,332,912

— Cited from Bernstein, *Evolutionary Socialism*, p. 57.

For France, compare Bourguin, *Systèmes socialistes et l'évolution économique*, p. 392; and for England, Bernstein, p. 55.

of the eight and a third millions in industry and commerce are in establishments employing fifty or under; in France, in industry alone, three and three quarter millions out of five and a half; while even in Great Britain the proportions have been estimated at five and a half millions in medium and small plants and three and a half to four millions in the large. In all these cases the numbers engaged in the smaller and medium establishments together show a decided increase over previous years. It is evident that while the great industry is absorbing an increasing share of the nations' labor and capital, at the same time the small industry, far from being doomed to extinction, is extending its borders every year.

Nor is concentration by combination more assuredly inevitable than the crushing-out of the small industry. The economies of combination have been greatly overrated, and include many savings as accessible to large independent concerns as to a trust.[1] It yet remains to be proved that a trust, without any monopoly of natural resources or of railway favors or of legislative influence, can crush out competition. The ordinary water-logged merger, formed to sell stocks rather than goods, cannot meet the competition of up-to-date rivals established by fresh capital.

In retail trade the case for the man of small means is still more favorable than in production. Here convenience in time and place and the importance of personal unremitting attention bulk so large that in most countries the small retailer is not only holding his own but increasing faster than the population.[2] Deductions must be made for the cases where the independence is illusory, where the small establishment is a tied house for example,[3] — a circumstance which does not any the more involve the psychological attitude of the proletarian, however; — but, these aside, it is

[1] Cf. C. J. Bullock, *Quarterly Journal of Economics*, xv, pp. 167 seq.

[2] Cf. Sombart, *Verein für sozial Politik*, 1899.

[3] Cf. Kautsky, *Das Erfurter Programm*, preface, and pp. 16–31; Vandervelde, *op. cit.*, p. 42.

clear that commerce shows no signs of the exclusive domination of the large establishment.

But it is in agriculture that the socialist prophecies have been most completely falsified by time. The small farm dominates the situation to-day beyond question. Marx's condemnation of small-scale farming as "worthless and utterly irrational" and Engels' "absolute certainty that capitalist production will out-distance the powerless, antiquated small farm as a railway train a wheelbarrow," have proved most unlucky forecasts.[1] The enthusiastic visions of the application of capitalist methods to farming, of bonanza farms, electric plows, and platoons of trained and specialized workers, cease to win credence. The world over, the verdict is practically the same; here the small farm gains slightly at the expense of the large, there it loses slightly,[2] but, as a frank American socialist says, "One thing is certain, if any such changes are taking place in either direction, they are of such extreme slowness as to partake of the nature of those astronomical calamities which

[1] Engels, "Die Bauernfrage in Frankreich und Deutschland," *Neue Zeit*, 1895, i, 303; David, *Socialismus und Landwirtschaft*, i, p. 687.

[2] GERMANY

NUMBER OF FARMS

	1882		1895	
	Number	*Per cent*	*Number*	*Per cent*
Under 2 hectares	3,061,851	58.03	3,236,367	58.23
2–20 "	1,908,012	36.16	2,015,122	36.25
20–100 "	281,510	5.34	281,767	5.07
Over 100 "	24,991	0.47	25,061	0.45
	5,276,344	100.00	5,558,317	100.00

AREA

	1882		1895	
	Hectares	*Per cent*	*Hectares*	*Per cent*
Under 2 hectares	1,825,938	5.73	1,808,444	5.56
2–20 "	12,348,601	38.75	13,027,859	40.01
20–100 "	9,908,170	31.09	9,869,837	30.35
Over 100 "	7,786,263	24.43	7,831,801	24.08
	31,868,972	100.00	32,517,941	100.00

—*Statistik des Deutschen Reichs*, N. F. Bd. 112, p. 11.

are discussed by mathematicians rather than of those social transformations that urge men to revolution." [1]

FRANCE

NUMBER OF FARMS

	1882		1892	
	Number	*Per cent*	*Number*	*Per cent*
Under 1 hectare	2,168,000	38.22	2,235,000	39.21
1–10 "	2,635,000	46.46	2,618,000	45.90
10–40 "	727,000	12.81	711,000	12.47
Over 40 "	142,000	2.51	139,000	2.42
	5,762,000	100.00	5,703,000	100.00

AREA

	1882		1892	
	Hectares	*Per cent*	*Hectares*	*Per cent*
Under 1 hectare	1,083,800	2.19	1,327,300	2.68
1–10 "	11,366,300	22.92	11,244,700	22.77
10–40 "	14,845,600	29.93	14,313,400	28.99
Over 40 "	22,296,100	44.96	22,493,400	45.56
	49,581,100	100.00	49,378,800	100.00

— *Statistique agricole de la France de 1892*, pp. 363 *et seq.* Cited in Bourguin, *op. cit.*, pp. 324–325.

UNITED STATES

	1880	*Per cent*	1890	*Per cent*	1900	*Per cent*
Under 10 acres	139,241	3.5	150,194	3.3	268,446	4.7
10–50 "	1,036,323	25.8	1,168,327	25.6	1,664,797	29.0
50–100 "	1,032,810	25.8	1,121,485	24.6	1,366,167	23.8
100–500 "	1,695,983	42.3	2,008,694	44.0	2,290,424	39.9
500–1000 "	75,972	1.9	84,395	1.8	102,547	1.8
Over 1000 "	28,378	0.7	31,546	0.7	47,276	0.8
	4,008,707	100.0	4,564,641	100.0	5,739,657	100.0

— *Twelfth Census of the United States*, 1900, v, p. xlv.

GREAT BRITAIN

"In 1895 the small holdings of from 1 acre up to 50, although two thirds of the whole number, covered only 15 per cent of the cultivated area. Large farms, exceeding 300 acres in extent, occupied 27 per cent of that area. The medium-sized holdings, lying between 50 and 300 acres, proved to be the most characteristic form, . . . embracing some 58 per cent of the whole. The changes since 1895 . . . are not sufficient materially to disturb these ratios. The numbers both in the smallest and largest sized groups are somewhat fewer, while a small but distinct development of holdings occurs in the group of medium-sized areas." — *Report of Committee on Small Holdings:* 1906, Cd. 3277, p. 3; see also App. XVIII, XIX.

[1] Simons, *The American Farmer*, pp. 101–102.

Marx's unlucky prophecy arose from an overhasty generalization, an uncritical assumption on the part of a man more familiar with the reading-room of the British Museum than with the farm-yard, that agriculture must show the same all-decisive economies of large production as manufacturing industry. The part taken by the peasantry in crushing the French revolts of '48 made the socialist eager to see this barrier to success swept away; the preoccupation with England, the one country where on the surface there appeared to be a par[illegible]between industrial and agricultural evolution, an[illegible] country which on *a priori* grounds was held to p[illegible]evelopment in store for the rest of [illegible] for sweeping generalizations. U[illegible] gencies, English data, all made for the same conclusion. Closer study of realities has demonstrated that the advantages of large production are realized to a [illegible] degree in farming, and are offset by greater disadvantages than is the case in manufacturing.[1] Machinery comes in for much less, owing to the seasonal and discontinuous character of the operations and the lack of uniformity in the material: of the machinery available the most efficient is usually either within the means of the small farmer, or, as in the case of traveling threshers, may be hired for the short time needed. It is science rather than machinery that has caused the revolution in farming — improvements in rotation of crops, in application of fertilizers, in combating pests, etc.; and these advances are nowadays, largely by coöperative and state action, brought within the small farmer's reach. Nor do the economies of the division of labor bulk large; the operations of agriculture are as a rule not contemporaneous as in manufacturing, but successive, so that there is not the same inducement to specialization. And as for marketing, the point where the small artisan is most helpless in com-

[1] Cf. especially David, *Socialismus und Landwirtschaft*, i, Die Betriebsfrage.

petition with the large factory, the small farmer is aided by the staple character of his product and to some extent by coöperative buying and selling. On the other hand, the small farmer has positive advantage in the superior stimulus of self-interest, and in the utilization of the family's labor, especially in those odds and ends of "chores" which make the difference between profit and loss.

Faced by the undeniable fact that the small farmer sturdily declines to be annihilated, some socialist writers have sought proof of indirect concentration in the increase of tenancy and mortgages.[1] It is undeniable that tenancy is rapidly increasing in the United States,[2] for example, but it is equally clear, from an examination of the figures, that this movement does not represent a transformation of owners into tenants — for the owners are increasing, and increasing faster than the farm population — but an elevation of agricultural laborers into tenants.[3] Similarly mortgages — less a bugbear in the Western States than a score of years ago — must be regarded not so much as signs of the omnivorousness of the money-lending octopus as indications of "a struggle of the former tenant to purchase an equity in his holding,"[4] or a means of expansion and development.

Simons, in his study of the American situation, follows Kautsky's lead in placing this elusive concentration still elsewhere. The industrial process, he asserts, must be

[1] Cf. Ghent, *Benevolent Feudalism*, p. 21.

[2]

		Number operated by			*Per cent operated by*		
	Total No. of farms	*Owners*	*Cash Tenants*	*Share Tenants*	*Owners*	*Cash Ten.*	*Share Ten.*
1880	4,008,907	2,984,306	322,357	702,244	74.5	8.0	17.5
1890	4,564,641	3,269,728	454,659	840,254	71.6	10.0	18.4
1900	5,739,657	3,713,371	752,920	1,273,366	64.7	13.1	22.2

— *Twelfth Census of the United States*, 1900, v, p. 689.

[3] Cf. *Twelfth Census of the United States*, v, lxxvii, C. F. Emerick, "Agricultural Discontent in the United States," *Political Science Quarterly*, xi, p. 603; and Simons, *op. cit.*, p. 114.

[4] Bogart, "Farm Ownership in the United States," *Journal of Political Economy*, xvi, p. 201. Cf. Bourguin, p. 213.

looked at as an organic whole; an article is not produced until in the hands of the consumer; accordingly, "railroads and steamships, with elevators and cold-storage plants and packing-houses, are as much a part of the necessary equipment for agricultural production as wagons, teams, granaries, and barns";[1] concentration is proceeding in these auxiliary processes, which have the whip-hand of the farmer, so, virtually, concentration is proceeding in agriculture. This ingenious confusion of dependence and interdependence gives a very far-fetched and untenable interpretation to the concept of concentration; as to the actual relations of these interdependent factors, Simons's pessimism overlooks the possibility — and the reality — of political intervention in control of railroad or elevator rates, without any abandonment of individual ownership.

The stubborn persistence of the independent farmer, his inconsiderate reluctance to play the vanishing rôle prescribed for him in the socialist drama, the Downfall of Competition, is a reality which no gloss or subtle reinterpretation can conceal. On this rock all comprehensive socialist schemes must split. The farmer and Hegelian dialectics follow different paths. His pioneer individualism may mellow with the passing of the frontier and the spread of city and country intercourse, but there is not the slightest indication in America, any more than in France or Germany, that the will-o'-the-wisp lures of the coöperative commonwealth are wiling him from the certainties of individual ownership.[2]

Closely interwoven with the theory of the concentration of industry is the contention as to the coming centralization of wealth and the disappearance of the middle class.

[1] Simons, *op. cit.*, p. 119.

[2] "The great body of the rural population are immune [from "socialistic disaffection"]. . . . The advocates of the new creed have made little headway among the rural classes of Europe, whether peasant farmers or farm laborers." — Veblen, *Theory of Business Enterprise*, pp. 349–350.

More and more, Marx contends, the class struggle is simplified into a contest between two great camps, proletariat and bourgeoisie. "The lower strata of the middle class," he declares in the Communist Manifesto, "the small tradespeople, shopkeepers, and retired tradesmen generally, the handicraftmen and peasants, all these sink gradually into the proletariat." [1] The mortality in the warfare of competition is not confined to the lower middle classes; the upper strata are reduced to a handful. Capitalist expropriates capitalist, wealth is gradually centralized in the hands of a few magnates. When the day of revolution dawns the vast coördinated masses of the proletariat will stand face to face with a mere remnant of plutocrats.[2]

The fallacy in the contention that the small capitalist, whether in agriculture, manufacture, or commerce, was doomed to disappear, has already been noted. Equally serious for the Marxian prophecy is the failure to recognize that even within the fields where concentration has proceeded apace, concentration of industry is not synonymous with centralization of wealth. Marx does not clearly distinguish the two conceptions, and his haziness has descended to most of his disciples.[3] There is, it is apparent

[1] Page 24.

[2] . . . "Concentration of capitals already formed, destruction of their individual independence, expropriation of capitalist by capitalist, transformation of many small into few large capitals. This process differs from the former in this, that it only presupposes a change in the distribution of capital already to hand, and functioning. . . . This is centralization proper, as distinct from accumulation and concentration. . . . That which is now to be expropriated is no longer the laborer working for himself, but the capitalist exploiting many laborers. This expropriation is accomplished by the immanent laws of capitalist production itself, by the centralization of capital. One capitalist always kills many. . . . The constantly diminishing number of the magnates of capital." — *Capital*, i. pp. 395, 487.

[3] Cf. the Erfurt Programme: "The economic development of capitalist society leads inevitably to the downfall of small-scale industry. . . . The means of production become the monopoly of a relatively small number of capitalists and great landowners."

on reflection, no necessary connection between changes in the form and size of the industrial unit best suited for production and changes in the property relations corresponding. The utmost centralization of wealth is possible without change in the size of the units of production or in the technical processes adopted; a recognition of this fact is implied in the unsuccessful attempt of the socialist to show that while the small farm continues to dominate agriculture the real control has passed to the mortgage-holder. On the other hand, extreme concentration of industry is possible without centralization of ownership. Socialism itself professes to offer a system in which the utmost possible concentration and integration of industry is to be compatible with at least an approach to equality in individual wealth. The existing social order has evolved a more practical instrument for securing concentration without centralization, an instrument which anticipates and renders unnecessary the collectivist solution — namely, the joint-stock company. The division of ownership which the joint-stock company involves makes it possible for the man of small means to acquire an interest in concerns which otherwise, on account of their magnitude and their inaccessibility, would be hopelessly out of reach.

Nor are we dealing with mere possibilities. In France, the shares of the Bank of France were held, in 1908, by 31,249 shareholders, of whom 10,381 held one share, 27,784 less than eleven shares, 3100 from eleven to fifty, 252 from fifty to one hundred, and 113 over one hundred; [1] the shareholders in the six great railways recently numbered over 700,000, and holders of government annuities over two million.[2] The attempt at control of the English retail provision trade by the Lipton stores was instanced above as one form of concentration, yet the number of share-

[1] *Monetary Times*, xliii, no. 2.

[2] Neymarck, *Jour. Royal Stat. Soc.*, li, p. 540.

holders in this company fully ten years ago was 74,262.[1] In the United States the number of additional holders who have bought into the leading railway and industrial corporations, at the bargain prices recently prevailing, is currently estimated at 200,000. The arrangements made by important industrial corporations, as for example the United States Steel and the Westinghouse Company, to enable their employees to purchase shares on favorable terms, indicate a still further extension of the tendency. The benefits of the movement are not unqualified. The owner of a few shares of stock in a huge railroad or industrial corporation is practically voiceless in its management, and the extent to which the common gains may be sluiced into private channels is only too apparent in everyday financial record. With the progress of publicity and of stricter company law, however, these drawbacks are in great part being removed. It is sufficient to emphasize again that the extension of the joint-stock company has made centralization of wealth by no means a necessary corollary of concentration of industry.

(*d*) *Crises*

THE goal of Marx's analysis, it has been pointed out, was to show that by its own immanent laws capitalism was preparing at once its own downfall and the advent of socialism. Of outstanding importance in this pronouncement as to the coming bankruptcy of capitalism is the theory of crises. It is not altogether clear what amount of significance is attached to crises in the Marxian system, whether they are to be looked on merely as indications of the inability of the bourgeoisie to rule the Frankenstein they have created, or whether they have a causal force, resulting in the growing disorganization of industry and the disap-

[1] Bernstein, *op. cit.*, p. 43.

pearance of capitalism after the last, worst spasm.[1] At all events, the crisis presents in the most acute and culminating form, Engels declares, the contradictions which mark the existing order and in the dialectical scheme of things insure its downfall. Put in terms of thesis, antithesis, and synthesis, the evolution of industrial and property relations runs as follows: in the days of handicraft, individual means of production corresponded to individual ownership of the product; to-day, production is coöperative, interdependent, socialized, but the product is appropriated by the individual capitalist. To-morrow the solution is effected; to socialized production there is added socialized appropriation and division of the product. Meantime the contradiction between socialized production and individual appropriation exists. It is reflected in the antagonism between proletariat and bourgeoisie. It represents itself, with the extension in range and intensity of competition, as the contradiction between the organization of production in the individual workshop and the anarchy of production in society generally. It is, however, in the crisis that this contradiction is manifested in its clearest and most explosive form: here the mode of production breaks out in revolt against the mode of exchange, the property relation. Engels follows his analysis by a vivid bit of description: "The whole industrial and commercial world . . . is thrown out of joint once every ten years. Commerce is at a standstill, the markets are glutted, products accumulate, as multitudinous as they are unsaleable, hard cash disappears, credit vanishes, factories

[1] "The economic and industrial development is going on with such rapidity that a crisis may occur within a comparatively short time. The Congress, therefore, impresses upon the proletariat of all classes the imperative necessity of learning, as class-conscious citizens, how to administer the business of their respective countries for their common good."—Resolution of the International Socialist Congress, 1896, quoted in Bernstein, *op. cit.*, p. 80. Cf. however, Kautsky, *Bernstein und das soz. dem. Programm*, p. 42.

are closed, the mass of the workers are in want of the means of subsistence, because they have produced too much of the means of subsistence; bankruptcy follows upon bankruptcy, execution upon execution. The stagnation lasts for years; productive forces and products are wasted and destroyed wholesale, until the accumulated mass of commodities finally filters off, more or less depreciated in value, until production and exchange gradually begin to move again. Little by little the pace quickens. It becomes a trot. The industrial trot breaks into a canter, the canter in turn grows into the headlong gallop of a perfect steeplechase of industry, commercial credit and speculation, which finally, after breakneck leaps, ends where it began — in the ditch of a crisis. And so over and over." [1]

In the writings of Marx and Engels the main theory as to the cause of crises is that they are phenomena of over-production due to the diminished consuming power of the masses. The anarchy that prevails in production is put forward as a secondary cause. The over-production, or under-consumption, theory of crises already expounded by Sismondi was adopted by Engels afterwards in various writings of the early forties, though, the latter contended, there was an essential distinction between the two ver-

[1] *Socialism, Utopian and Scientific*, pp. 64–65. Cf. the *Communist Manifesto*, p. 21: "For many a decade past the history of industry and commerce is but the history of revolt of modern productive forces against modern productive conditions, against the property relations that are the conditions for the existence of the bourgeoisie and of its rule. It is enough to mention the commercial crises that by their periodical return put on its trial, each time more threateningly, the existence of the entire bourgeois society, . . . paving the way for more extensive and more destructive crises." The same hectic view of history in general which makes Marx and Engels see in "all past history the history of class struggles" and makes their philosophy of history an explanation of the cause of "all social changes and political revolutions," here crops out in the conception that the history of commerce and industry is synonymous with the record of the catastrophes in commerce and industry.

sions.[1] In the Communist Manifesto the same explanation is offered: "In these crises there breaks out an epidemic that in all earlier epochs would have seemed an absurdity — the epidemic of over-production."[2] In the work from which the passage quoted in the preceding paragraph is taken, Engels finds the immediate source of the evil in the fact that "the extension of the markets cannot keep pace with the extension of production."[3] More explicitly Marx identifies lack of markets with workers' poverty: "The consuming power of the laborers is handicapped partly by the laws of wages, partly by the fact that it can be exerted only so long as the laborers can be employed at a profit for the capitalist class. The last cause of all real crises always remains the poverty and restricted consumption of the masses as compared to the tendency of capitalist production to develop the productive forces in such a way that only the absolute power of consumption of the entire society would be their limit."[4] The conquest of new markets abroad may afford temporary relief, but the evil day is only postponed.

The theory that crises are due to the inability of the consuming power, or rather the purchasing power, of the masses to keep pace with the increase of the productive powers of society, assumes that condition of steadily increasing poverty which we have seen is contrary to the realities of social development. So long as the wants of men are capable of infinite expansion, there can be no question of the ability of society as a whole to increase its desires to equal whatever tremendous increase of products and services may be effected; in the quantitative as aside from the value aspect, over-production is clearly

[1] *Landmarks of Scientific Socialism* (*Anti-Duhring*), translated by Lewis, p. 237.

[2] *Communist Manifesto*, p. 21.

[3] *Socialism, Utopian and Scientific*, p. 64.

[4] *Capital*, iii, p. 568.

impossible, whatever may be said as to mis-production, the direction of the productive activities into the wrong channels. Nor, still looking at society as a whole, can there be any possibility of over-production in the sense that the sum total of its values offered on the demand side is less than the total values on the supply side, since these totals must balance. Grant, further, the assumption that the purchasing power of one section of society, the wage-earning classes, is decreasing relatively to that of the other classes of society. Why should such a decrease necessitate a breakdown? Could it not be offset by an increase in the expenditure of the rich on conspicuous waste, or in the amount of production goods? Such developments might be morally reprehensible, might be futile and contradictory perversions of means into ends, but they would not be economically unworkable — the only aspect Marx cares to consider.[1] Trouble would come not in the change of the relative proportion of mass and of class purchasing power, but in lack of equilibrium between the demand and the supply for each kind of consumption or production goods. It is clear also, as Marx recognized later, that there is something wrong with a theory which finds in decreased purchasing power of the masses an explanation of crises, which uniformly occur after periods of expansion and prosperity during which wages have been at their highest.

[1] Cf. in Tugan-Baranowsky, *op. cit.*, pp. 209 *seq.*, a detailed examination of the possibility of a constantly increasing proportion of production goods. Tugan-Baranowsky's contention, p. 210, that the tendency to a falling rate of profit is considered in the Marxian system an independent source of the break-up of capitalism, does not seem tenable; the falling rate of profit acts only indirectly by stimulating production and accelerating the pace at which it outruns consumption. Equally secondary is the significance Marx attaches to the extension of credit. Cf. *Capital*, iii, p. 522. Marx has the less room for denying the outlet through extension of production goods, since elsewhere he refers to the constant necessity of scrapping machinery, long before physically worn out, to keep pace with the progress of invention, as an important fact and itself the material basis of commercial crises. — *Capital*, ii, p. 211.

Engels' emphasis on the anarchical character of capitalist production as the cause of crises has more plausibility, recognizing as it does that the problem is one of *mis*-production, whereas Marx's theory is simply a variant of the hoary fallacy of *over*-production. His prophecy of increasing intensity of crises has, however, not been borne out. Many forces have worked for the attenuation rather than the aggravation of crises since Marx's days — the better organization of credit; the growing fluidity and internationalism of capital and of commerce, which make the whole world feel the shock but prevent its being fatal in any one spot; the greater reserve of accumulated wealth, lessening the importance of temporary depression; the regulation of production by trust and cartel and the better distribution of effort caused by trade-union opposition to over-time.[1] In confirmation may be cited Tugan-Baranowsky's interesting demonstration that the recent crises in Great Britain have been followed by practically none of those fluctuations in the number of marriages, in the death-rate, in pauperism, and in criminality which characterized the crises of the second and third quarters of the nineteenth century.[2] The much-abused capitalist system is showing great vitality, and seems in as little danger of death from crisis-convulsions as from capitalist apoplexy or proletariat anemia.

(*e*) *Summary*

THE Marxian analysis of the existing industrial system has now been passed in brief review. The outstanding feature of Marx's doctrine, the distinction which has made it the intellectual backbone of socialism the world over, is his conception of capitalism as the necessary forerunner, the unwilling servant, of socialism. Unlike the Utopian,

[1] Cf. Bourguin, *op. cit.*, p. 326.

[2] *Studien zur Theorie und Geschichte der Handelskrisen in England.*

he makes no charge that men have been wasting time on the wrong track, makes no appeal to their reason or their sense of justice to attempt at once to shunt the car of state back on the right track. Capitalism itself is harnessed in socialism's service. "What the bourgeoisie produces above all is its own grave-diggers." [1] It is this frank, if provisional, acceptance of the existing order which keeps him for no little distance in theoretical harmony with the classical economists. He accepts in large part their statement of the laws that regulate competitive economy — their laws of value, their theory of falling profit, their doctrine of ground rent. He even anticipates, like the good Manchesterian he is, no serious interference with these sacred laws, so long as capitalism lasts. Then, however, comes the parting of the ways, and Marx reveals to his quondam companions the inevitable and unwelcome outcome of those very laws and tendencies.

Every tenet in the closely-jointed creed has its place in the demonstration of this inevitable development toward socialism. The materialist conception of history, we have seen, reveals the present epoch, equally with past ages, as dominated by a class struggle, between exploiting bourgeoisie and exploited proletariat. The theories of value and surplus value lay bare the source of this exploitation. The increasing misery of the proletariat, brought to sore straits by the pressure of the industrial reserve army, is finally to rouse it to revolt against the capitalist system. Their training within the ranks of capitalism itself, capitalism which has disciplined, united, organized, and educated them for its own greater gain, gives their revolt assurance of success. The centralization of wealth in the hands of a comparatively few magnates also serves to make resistance difficult and appropriation easy. The ever-recurring crises proclaim and hasten the bankruptcy of competition. The concentration of industry,

[1] *Communist Manifesto*, p. 32.

the socialization of production, make it possible for a collectivist commonwealth to operate the means of production once they are seized. All things work together for good. "That which is now to be expropriated," Marx declares in a classic passage, "is no longer the laborer working for himself, but the capitalist exploiting many laborers. This expropriation is accomplished by the action of the immanent laws of capitalistic production itself, by the centralization of capital. One capitalist always kills many. Hand in hand with this centralization, or this expropriation of many capitalists by few, develop, on an ever-extending scale, the coöperative form of the labor process, the conscious technical application of science, the methodical cultivation of the soil, the transformation of the instruments of labor into instruments of labor only usable in common, the economizing of all means of production by their use as the means of production of combined, socialized labor, the entanglement of all peoples in the net of the world-market, and with this, the international character of the capitalist régime. Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with and under it. Centralization of the means of production and socialization of labor at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated."[1]

[1] *Capital*, i, p. 487.

MICROCOPY RESOLUTION TEST CHART

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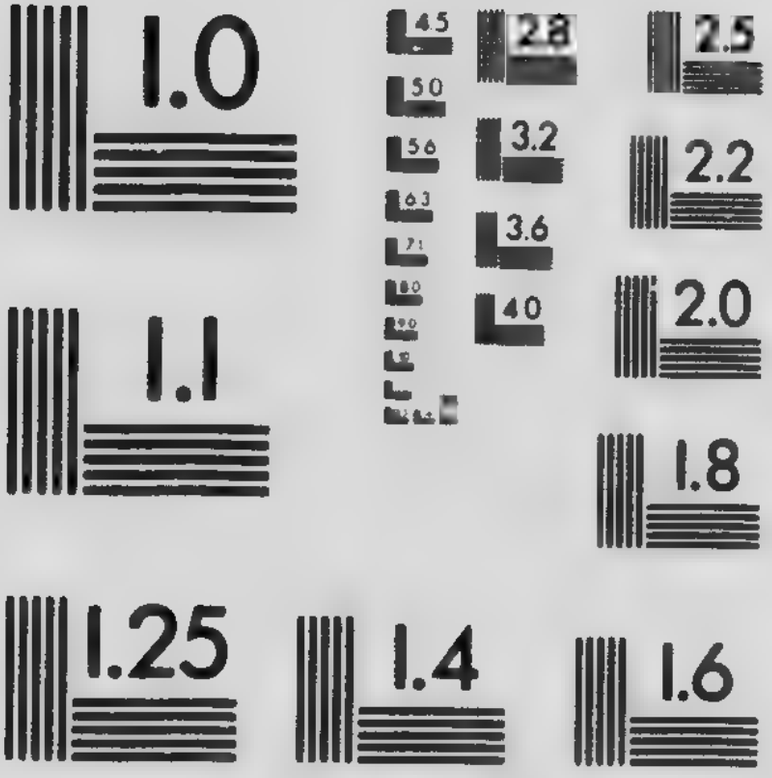

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The sweep of vision, the loftiness of tone, the seer's assurance of this passage make it the fitting climax of Marx's exposition. Weak as his doctrine has been shown to be in many of its essential points, taken as a whole it is an achievement of the first order. To his task of analyzing and forecasting the development of capitalist industry Marx brought an acute and powerful logic, wide reading, unfathomable powers of vituperation, a keen insight, especially for the weaknesses of human nature, unflagging energy and enthusiasm and self-sacrifice. To him the world in general owes a relentless exposure of the seamy side of our boasted civilization, a helpful if exaggerated — perhaps helpful because exaggerated — recognition of the importance of the economic factor in history, a protest against the shallow optimism and barren traditional deductive reasoning that marked much of the current economic theory, and an attempt to get close grip on reality and seize the import of the main forces and the broader currents of industrial development. The debt of socialists for the creed and the rallying cry he gave them, for his assurance that the stars in their courses were fighting for them, is of a magnitude that even the devotion of millions of adherents can scarcely repay.

Yet to-day many a socialist is coming to recognize that the carefully constructed system is crumbling. With much that was enduring, much that was transitory went to its building. Marx was steeped in prejudice, too deeply infected by the revolutionary spirit of his surroundings in the forties, to be able to take a calm and impartial survey. His Hegelian training hindered as much as it helped his attempt to read the past and forecast the future. It gave his thinking an *a priori* and teleological cast which prevented his making an objective cause-and-effect study of tendencies. The conception of development as a dialectic process led to exaggeration of the rôle of class struggle and to attempts to deduce the future trend of industry not so

much from social fact as from a philosopher's formula. The whole contention of the immanent necessity of capitalist development along the lines he forecast was thus metaphysical rather than scientific in its origin. His data, the records of English factory development in the middle of the century, were too narrow and special for sound generalization. And even his tools, the current economic concepts which formed the necessary counters of discussion, failed him at times. It is an odd instance of the revenge of environment on the most rebellious of its children that this iconoclast who railed at the economic man himself has given us a view of history which is merely the economic man writ large, multiplied into a class; that this critic who rarely had a good word for the English economists picks up their discarded labor-value theories and falling rate of profit forecasts; that this scoffer at the *a priori* dogmatism of bourgeois theorists is most prone to abstractions and uncorrected hypotheses; that this scorner of individualism and laissez-faire is himself tinctured with individualism to the point of anarchy in his view of the industrial organization of the future, and is led astray in his prophesying by his failure to recognize the extent to which governmental and trade-union action would affect conclusions based on the assumption of laissez-faire. In spite of himself, Marx was the last of the classical economists.

The conclusive evidence of the futility of a doctrine is its abandonment or reinterpretation by its quondam upholders under stress of contact with reality. This evidence the socialists of the revisionist brand have been heaping up in abundance the past few years. In Germany itself many of the most progressive of the socialist leaders have been brought, some by sobering contact with political responsibility, some by candid facing of theoretical difficulties, and all by the unconscious drift of time, to abandon many of the most distinctive of the master's doctrines.[1]

[1] Cf. Veblen, *Quarterly Journal of Economics*, xxi, pp. 299 *seq.*;

The philosophical foundations have shifted: the teleology and the dialectics of Hegelianism have more or less unconsciously been replaced by Darwinian norms of thinking, marked by "no trend, no final term, no consummation; the sequence is controlled by nothing but the *vis a tergo* of brute causation, and is essentially mechanical."[1] The tendency is to hark back to the idealism of the Utopians, to base the appeal of socialism once more on eternal justice and the rights of man, to raise the cry of "Back to Kant" and deduce the collectivist commonwealth from the needs of human personality. The materialistic conception of history is qualified into colorlessness, the class struggle more and more retired into the background. The value and surplus value theories are abandoned or their importance minimized, the doctrine of increasing misery repudiated, the inevitable march of concentration and centralization confronted by unconforming fact. Slowly but surely the Marxian theory is disintegrating.

Kampffmeyer, *Changes in the Theory and Tactics of German Social Democracy;* Boudin, *Theoretical System of Karl Marx;* and bibliographical appendix to this volume, for a survey of the revisionist literature.

[1] Veblen, *op. cit.*, p. 304.

CHAPTER VIII

THE MODERN SOCIALIST IDEAL

WHEN we turn from analysis of capitalism to panacea proposed, we find in latter-day as contrasted with Utopian socialism at once a greater uniformity in the general character of the socialist organization which is to replace the existing order, and a much greater unwillingness to attempt presentation in detail. The two tendencies are not unconnected; the comparative absence of detail brings the widespread agreement on essentials into prominence. Practically all the important socialist organizations of Europe and America look forward to the collective ownership and operation of the means of production and exchange, and the allotment of reward by authority. Private ownership is retained so far as consumption goods are concerned, but vanishes for the factory, the mine, and perhaps the soil. Competition as the motor force of industry gives way to unified control and social zeal. The era of "all-round harmonious perfection" dawns.

When, however, we proceed to look into what this proposal entails, to inquire what solution the socialist has to offer for the obvious and seemingly fatal difficulties which the collectivist ideal involves, a most unwonted hush and reticence falls on many quarters of the socialist camp. The wealth of detail which characterizes the proposals of Fourier or Cabet vanishes in the Marxian or Fabian treatment. The stress which the Utopian laid on constructive effort is shifted in the one case to critical analysis — the main work of the great protagonist of scientific socialism is called not *Socialism* but *Capital* — and in the other to the study of tactics. This reluctance of the socialist leaders, particularly those of the generation now passing away,

to grapple with the administrative problems their own proposals involve, has several roots. It is in part an implication of the theoretical position of the modern socialist, in a minor degree it is a matter of temperament, and to varying extent it is a dictate of party strategy.

It is in the first place an outcome of the changed view of the forces that mould society and the manner in which radical industrial transformations come about. The kingdom to come is not to be an artificial structure built in accordance with the careful plans and specifications of social architects, but an organic growth, the outcome of social forces now at work. In the more extreme form this position approaches fatalism: capitalism is doomed, socialism is its inevitable heir; it is unnecessary, when the stars in their courses are fighting, to waste words painting the desirability of the socialist organization or seeking to show that it is practicable. "What is proved to be inevitable is proved not only to be possible but to be the only possible outcome."[1] This fatalist attitude, however, is neither sound nor consistent. It is not sound, since it rests on an analysis of the trend of industrial development which has not stood the test of time, an analysis marked by keenness and insight in many of its details, but perverted by cramping preconceptions and by an underestimate of the competitive system's powers of adjustment and adaptation. And were this trend inevitable, it would be so only because of the conscious coöperation and striving of a majority convinced of the feasibility of the new industrial system. Nor is the attitude consistent. There has been in Marxism from the beginning a contradictory strain, a recognition of the necessity of working through the conscious will of man and not merely relying on the blind working of unconscious industrial forces.[2] Every act of

[1] Kautsky, *Das Erfurter Programm*, 8th edition, p. 137.

[2] On this dualism in Marx, cf. Goldscheid, *Verelendungs- oder Meliorationstheorie?*

propaganda, every attempt to spread the good tidings among the unconverted, witnesses a belief that the kingdom can come only when men have been persuaded of the better part.

The change in theoretical standpoint results in a less extreme attitude when the reluctance to discuss the problems of a socialist commonwealth is defended on the ground that it is impossible to forecast the future in detail.[1] This position is a strong one: Marx's scornful refusal "to write the kitchen recipes of the future" reveals an incomparably sounder historic sense than the Utopian readiness to map out the minutest details of the future Icaria or Atlantis. Yet it is by no means a satisfactory answer. There is here no question of meticulous details, no impossible demand for a rigid and carefully scheduled forecast of the exact structure of the coöperative commonwealth on April 1, 2500 A. D., no request for a prophecy of the ultimate outcome and far-reaching reactions of socialist innovations. It is merely a legitimate and absolutely necessary demand for a frank facing of the obvious difficulties and inconsistencies inherent in the collectivist proposal. The point is of primary importance. It is not enough that the socialist can point to grievous ills in existing society. That such evils exist only the blind and callous can deny. Want and wretchedness, misery and injustice and crime are hard realities, appalling in their extent and persistence. Here there is no dispute. The divergence comes with the remedy proposed. The socialist agitator, logically or illogically determined to help out providence, alias the inevit-

1 "To each epoch its task; do not let us presume to regulate the future; let us be content to occupy ourselves with the present."—Deville, *Principes Socialistes*, p. 39.

"We know as little as our opponents how matters will work out in a future society, and were we to paint it never so finely, our children's children would not turn to our prophesyings, but would act as the time and circumstance dictated."—Calwer, *Einführung in den Socialismus*, p. 68.

able laws of capitalist development, seeking to win men to his cause, must convince them that the new order will work, and will work better than the old, that it does not threaten evils intolerably worse than those we know. It is a question of what organization, what social instrument, will best subserve the interests of society, a question which must be decided every time a change in our social or political structure is proposed, decided fallibly, decided with a human inability to foresee the complications and unlooked-for reactions the future holds in store, but decided with the best light we have. Kautsky would be quite right in refusing to comply with what he considers the parallel demand "to write the history of the next war." [1] But, to take a closer parallel, he would be quite wrong had he been leading a campaign for a complete discarding of the present instruments of warfare, demanding the scrapping of Dreadnoughts in favor of aeroplanes or triremes, or the substitution of vril or bows and arrows for gunpowder, and yet declined to discuss their comparative utility in the more probable contingencies of warfare.

It is evident that there are other explanations for the socialist emphasis on destructive criticism rather than on constructive planning. Marx's negative temperament led him to underrate the difficulties of administration, while his revolutionary sympathies involved an overrating of the power of the proletariat to extemporize their solution. The collapse of the Commune uprising in 1871 partly disillusioned Marx and Engels on this point.[2] With their

[1] *Op. cit.*, p. 140.

[2] Preface to *Communist Manifesto*, 1888, and *Civil War in France*, 1871, p. 15. Cf. Wells, *New Worlds for Old*, pp. 227–232. "Marx's life was the life of a recluse from affairs, an invalid's life; a large part of it was spent round and about the British Museum reading-room, and his conception of socialism and the social process has at once the spacious vistas given by the historical habit and the abstract quality which comes with a divorce from practical experience of human government. . . . As a consequence Marx, and still more the early 'Marxists' were, and are, negligent of the necessities of government and crude in their notions of

successors the attitude has been a matter of tactics more than of temperament or principle. It is easiest to unite on a negation. Let the word go forth to all the discontented, to every one who nurses a grievance against society, that all misery and oppression are to be abolished and a state of "all-round harmonious perfection" established. Forthwith each may give reins to his imagination, construct his private heaven, may see his ill redressed or his merits recognized, himself or his pet crotchet exalted, without any of the confusing doubts a definite programme would occasion. Socialism offers every man a blank check on happiness, to fill out at his own sweet will, untroubled by fears as to the extent of the funds.

There are, however, some signposts available to aid in the inquiry into the working of a collectivist state. Scattered here and there through the works of Marx and Engels themselves there are brief pronouncements on specific points. On other details a dim and fitful light has been shed by the debates and votes of party congresses. The leader of the German socialist party, August Bebel, years ago presented a more comprehensive programme in a widely circulated volume.[1] Less authoritative, to be accepted only in so far as it logically deduces the necessary implications of the collectivist demand, is the work of Schäffle,[2] written by an opponent, but so impartial as to have won

class action. . . . The constructive part of the Marxist programme was too slight. It has no psychology. Contrasted, indeed, with the splendid destructive criticisms that preceded it, it seems indeed trivial. It diagnoses a disease admirably and then suggests rather an incantation than a remedy. . . . It faces that Future, utters the word 'Democracy,' and veils its eyes. . . . So long as this mystic faith in the crowd, this vague emotional, uncritical way of evading the immense difficulties of organizing just government and a collective will prevails, so long must the socialist project remain not simply an impracticable, but in an illiterate, badly organized community, even a dangerous suggestion. I as a socialist am not blind to these possibilities."

[1] *Women under Socialism*, 1883, translated from the 33d German edition by De Leon, 1904.

[2] *The Quintessence of Socialism*, 1875, translated by Bosanquet.

widespread socialist sanction, and not without important influence on the shaping of socialist ideals. At all times the Bellamys and the Gronlunds have rushed in where Marx and Engels feared to tread.[1] And particularly of late years the recognition of the inconsistency of the programme of barren silence, or the sobering reflections induced by an approach to political power, have led many of the ablest of Continental and American socialists[2] to endeavor to offer a solution of some of the outstanding problems. A more optimistic note as to the possibility even of forecasting the future is struck: the suggestions that are made, declares Simons, "are in no way parts of a hard and fast scheme . . . to be followed regardless of consequences or the course of economic development. But the ability of interpretation which enabled the socialist to foretell the disappearance of the competitive system from the time of its birth, entitles him to speak with more than ordinary authority concerning the future."[3] The fact that the majority of these writers belong to the reformist group results, as will be noted later, in almost as numerous deflections from the Marxian standard in this field of organization as in the fields of analysis or tactics.

The first problem that faces the socialist — how catch the hare — is primarily a question of tactics, but its solution largely determines the character and extent of the difficulties facing the collectivist commonwealth at the outset. Is the capitalist to be expropriated without in-

[1] Bellamy, *Looking Backward*, 1887; Gronlund, *The Co-operative Commonwealth*, 1886.

[2] Cf. Jaurès, "Organisation socialiste," in *Revue Socialiste*, 1895–96; Renard, "Régime socialiste," in *Revue Socialiste*, 1897–98; in book form, 1903; Atlanticus, *Ein Blick in den Zukunftstaat*, 1898; Vandervelde, *Collectivism and Industrial Revolution*, translated by Kerr, 1901; Simons, *American Farmer*, 1902; Kautsky, *Social Revolution*, 1902, translated by A. M. and May Simons; Anton Menger, *Neue Staatslehre*, 1902; Spargo, *Socialism*, 1906; Wells, *New Worlds for Old*, 1908; Hillquit, *Socialism in Theory and Practice*, 1909.

[3] *Op. cit.*, 1906 edition, p. 205.

demnity, or to be offered compensation? The earlier hot-blooded demand for the expropriation of the robber rich without one jot of payment is now heard more rarely in the socialist camp. This attitude was consistent with the catastrophic view of social evolution, the view that the revolution would be "an affair of twenty-four lively hours, with Individualism in full swing on Monday morning, a tidal wave of the insurgent proletariat on Monday afternoon, and Socialism in complete working order on Tuesday." [1] But in these post-Darwinian days this naïve expectation is untenable. With the growing admission that the new order must be established by degrees, it is seen that it would be impossible to expropriate certain capitalists and leave the rest in undisturbed possession. Further, forcible expropriation without indemnity would be impossible; even were the great majority of the manufacturing proletariat won over to the policy, they could scarcely hope to overcome the determined resistance of the millions of farmers and the urban middle class.[2]

If the other horn of the dilemma is then unanimously chosen, and the capitalists bought out at one hundred cents on the dollar, how is the condition of the poorer classes one

[1] G. Bernard Shaw, *Fabian Essays* (American edition), p. 166.

[2] Cf. the leading Belgian socialist: "Evidently if this expropriation is not to meet with insurmountable difficulties, it must needs be that capitalistic concentration should have arrived at its completion; that personal property should exist only in memory; that the immense majority of the citizens shall be composed of proletarians who have 'nothing to lose but their chains.' But, even on this supposition, the realization of which seems at least distant, there is no doubt that of all forms of social liquidation, expropriation without indemnity, with the resistance, the troubles, the bloody disturbances which it would not fail to produce, would be in the end the most costly. 'We do not at all consider,' wrote Engels in 1894, 'the indemnification of the proprietors as an impossibility, whatever may be the circumstances. How many times has not Karl Marx expressed to me the opinion that if we could buy up the whole crowd it would really be the cheapest way of relieving ourselves of them.'" —Vandervelde, *Collectivism and Industrial Revolution*, translated by Kerr, p. 155.

jot improved? There will be heaped up an immense debt, a perpetual mortgage on the collective industry; rent and interest will still remain a first charge, still extract "surplus labor" from the workers. Even if collectivist management were to prove every whit as efficient as capitalistic, the surplus for division among the workers would not be increased beyond that available to-day. Indeed, it would be diminished. To-day a great part of the revenue drawn in the shape of rent and interest is at once recapitalized, and makes possible the maintenance and extension of industry. A socialist régime could not permit the paid-off capitalists to utilize their dividends in this manner, increasing their grip on industry; they would be compelled to spend it in an orgy of consumption. All provision for capital extension would therefore have to come out of what was left of the national dividend. The last state would be worse than the first.

Recognizing this, various socialists have proposed, once the capital has been appropriated, to put on the screws by imposing income, property, and inheritance taxes which will eventually wipe out all obligations against the state.[1] In other words, they would imitate the humanitarian youngster who thoughtfully cuts off the cat's tail an inch at a time, to save it pain. Doubtless there are, within the existing order, great possibilities of extension of such taxes for the furtherance of social reform. Possibly our withers would be unwrung if the socialistic state confiscated the multimillionaire's top hundred million by a progressive tax. But the fortunes of the multimillionaires, spectacular as they are and politically dangerous as they are, form but a small proportion of the total wealth. So soon as the tax came to threaten the confiscation of the small income as well as the great, the matter would again become one of relative physical force.[2]

[1] Cf. *Fabian Essays*, p. 176; Kautsky, *Social Revolution*, p. 121.

[2] "The whole tendency of civilization and of free institutions is to an

On the threshold lies the question of the unit of organization. That the scope of the complex and large-scale industrial system to which the socialist commonwealth would fall heir must be state-wide, most modern socialists are agreed. That it must be state-directed is a position that has been reached with more difficulty. In fact, the founders of the Marxian faith looked forward with assurance to the time when the state would disappear. For the state, Engels declared, is merely an instrument employed by the exploiting classes, slave-owners, feudal lords, and bourgeoisie, which have dominated at various times, to keep the exploited classes in subjection. It follows that when, with the coming of socialism, classes die out and class wars cease, the state will have lost its reason for existence. "State interference in social relations becomes, in one domain after another, superfluous, and then dies out of itself; the government of persons is replaced by the administration of things, and by the conduct of the processes of production. The state is not 'abolished.' *It dies out.*" [1] Confusing the abuses of the institution with its essence, they looked forward with a trustful optimism inherited from their Utopian forerunners to the time when voluntary organizations coöperating harmoniously would serve all men's needs. In fact there was little to choose between their ideal and that of the closely allied thinkers of the Bakunin type from whom the anarchists of to-day

ever-increasing volume of production and to an increasingly wide diffusion of profit. And therein lies the essential stability of modern states. There are millions of persons who would certainly lose by anything like a general overturn, and they are everywhere the strongest and best organized millions. And I have no hesitation in saying that any violent movement would infallibly encounter an overwhelming resistance, and that any movement which was inspired by mere class prejudice, or by a desire to gain a selfish advantage, would encounter from the selfish power of the 'haves' an effective resistance which would bring it to sterility and to destruction." — Winston Spencer Churchill, *Liberalism and the Social Problem*, p. 79.

[1] *Socialism, Utopian and Scientific*, pp. 76–77. Cf. Bebel, *op. cit.*, p. 237.

trace their descent.[1] To revolutionists in exile the state and the police were anathema.

To-day, with the tactics adopted reacting on the ideal proposed, participation in politics bringing reconcilement to the state, and the policy of accepting installments of betterment frequently transmuting neutrality into enthusiastic fervor, the state is frankly accepted as the unit and main agency of administration in the future. Lassalle and Bismarck have conquered Marx. It may be that the anarchist with his proposal of voluntary collectivism on a territorial basis, or the syndicalist with his vision of the industry of the future in the control of autonomous trade unions, or the occasional socialist who calls for the land for the laborer and the mine for the miner — and, adds the ironic Fabian, the school for the school-teacher and the sewer for the sewer-man[2] — is the truer son of Marx. The official heirs, however, read the last will and testament otherwise. It is unnecessary to dwell on the pious attempts of wandering disciples to maintain verbal consistency with the fathers by tabooing the word state in favor of some other name for the same thing — "the central administration, as will be noted, not a Government with a power to rule, but an executive college of administrative functions."[3] According to the revised version, the state does not die out.

The acceptance of state control does not necessarily involve direct state operation throughout the whole field of industry. The modern socialist rightly insists on the

[1] Fabbri, "Die historische und sachliche Zusammenhänge zwischen Marxismus und Anarchismus," in *Archiv für Sozialwissenschaft*, 26, p. 559. Cf. Marx: "The existence of the state and the existence of slavery are inseparable," Paris *Vorwärts*, 1844, cited in Adler, *Grundlagen der Marxschen Kritik*, p. 245.

[2] Sidney Webb, *Socialism True and False*, Fabian Tract no. 51, p. 13.

[3] Bebel, *op. cit.*, p. 276. Hillquit comes to the franker conclusion: "Since little or nothing can be gained by inventing a new term, we shall hereafter designate the proposed organized socialist society as the Socialist State." — *Socialism in Theory and Practice*, p. 100.

possibility of wide activity by local governmental units, by town and city, county and province. The Utopian vision of the small commune as the unit of organization finds realization in a saner form in the enterprise of the municipality of to-day, and to-morrow, the socialist holds, will see a further development of the tendency. So far as the production of services and goods entirely for local consumption is concerned, a wide degree of autonomy would no doubt be possible, and to this extent the burdens imposed on, and by, the central authorities would be lessened. So far, however, as the production of goods for state-wide consumption is concerned, local independence is impossible. If the haphazardness and anarchy which the socialist declares characterize the competitive system are to be abolished, the kinds and quantities of wares produced and the manner of their disposition must be rigidly controlled by central authority.

In quite recent years, whether frightened by the shadow of their own bureaucratic state or insensibly abandoning their attitude of implacable hostility to the existing order, many prominent socialists have proposed an even greater range of variety in organization. Side by side with the national and local undertakings there are to be found coöperatives for production. This position is expressed most authoritatively by Kautsky, in a passage which has been quoted or adapted by many socialists, particularly of reformist leanings.[1] The interpretation of this striking

[1] "In this, as in every other relation, the greatest diversity and possibility of change will rule. Nothing is more false than to represent the socialist society as a simple, rigid mechanism whose wheels when once set in motion run on continuously in the same manner.

"The most manifold forms of property in the means of production — national, municipal, coöperatives of consumption and production, and private, can exist beside each other in a socialist society — the most diverse forms of industrial organization, bureaucratic, trades union, coöperative, and individual; the most diverse forms of the remuneration of labor, fixed wages, time-wages, piece-wages, participation in the economies in raw material, machinery, etc., participation in the results of

passage is open to ambiguity. It is explicitly clear that it offers a picture of the socialist commonwealth, not of a transitional compromise. If it is to be taken in conjunction with previous declarations in the same work to the effect that the proletariat must regulate in every establishment the height of production, the allotment of labor force and of capital goods, and the disposal of the product,[1] the freedom and flexibility claimed are utter shams. Central control in these essential respects would mean that initiative would be so cramped, the scope for independent enterprise so restricted, the stimulus to greater effort so feeble, that the boasted diversity would be an empty form. If, on the other hand, as the passage by itself would imply, and as some of Kautsky's fellow socialists have interpreted

intensive labor; the most diverse forms of the circulation of products, like contract by purchase from the warehouses of the state, from municipalities, from coöperatives of production, from producers themselves, etc., etc. The same manifold character of economic mechanism that exists to-day is possible in socialistic society. Only the hunting and the hunted, the struggling and resisting, the annihilating and being annihilated of the present competitive struggle are excluded and therewith the contrast between exploiter and exploited." — Kautsky, *The Social Revolution*, pp. 166–67.

Cf. Spargo, *op. cit.*, chap. 8, "Outlines of the Socialist State," for a somewhat similar forecast which called forth the following typical criticism: "The book is one of the most notable contributions to the literature of socialism. . . . But it is extremely doubtful if socialists generally will accept with enthusiasm the strange mixture of private production, free voluntary coöperation, and state ownership proposed." — *Christian Socialist*, iv, no. 9, p. 2.

[1] "The proletariat can only accomplish this regulation of the circulation of products by the abolition of private property in industry, and it not only can do this but it must do it, if the process of production is to proceed under its direction and its régime is to be permanent. It must fix the height of production of each individual social productive plant according to the basis calculated upon the existing productive powers (laborers and means of production) and of the existing needs, and see to it that each productive plant has not only the necessary laborers but also the necessary means of production and that the necessary products are delivered to the customers." — Kautsky, *The Social Revolution*, p. 150.

it, a real independence on the part of these various organizations is to be granted, if the individual, whether in isolation or in voluntary coöperation, is to be permitted to work for private profit, to compete with other producers, employ assistants, to dispose of his wares without outside interference, this development offers striking evidence of the intellectual bankruptcy of socialism on the side of organization. The chief defender of the faith, high priest of the most (nearly) orthodox wing of the German Social Democracy, is led to abandon his negative attitude and come to close grip with the difficulties of socialist administration. It is remarkable testimony to the vitality and practicability of the existing system that he is forced by this study so to trim and prune and hedge that his picture of the socialist commonwealth turns out to be only an idealization of our competitive society, merely a shifting of emphasis, a change in the proportion of individual and social enterprise.

It is tacitly admitted that the socialist programme of the collective ownership and operation of all the instruments of production would not work. To obviate this difficulty and that, recourse is had to one institution after another of the much berated existing order, until finally Herr Kautsky emerges with a society differing from the present only by the extension of government control to a few more industries. The society thus outlined is infinitely more defensible than the rigid collectivist state, but it gains in practicability precisely in the measure in which it discards the exclusively collectivist ideal and approaches the present organization. Plausibility is won at the expense of consistency. The denouncer of private property is forced to admit its sway in a large part of the industrial field. The declaimer against the exploitation of the workman by the employer permits the extraction of surplus value to survive. The fulminator against the insufferable evils of anarchical competition permits the seven devils

of competition still to roam unchained in certain large fields.

The attempt to run with the competitive hares and hunt with the collectivist hounds is of course logically indefensible. The alternatives must be faced frankly. If private companies, coöperative societies, municipalities or autonomous trade unions are permitted to engage competitively in production, without any central regulation, we have the "anarchy" which the socialist asserts of the present order. If central regulation is imposed, there is an end of freedom and initiative among the units. A socialoid state where "the struggling and resisting, the annihilating and being annihilated of the present competitive struggle" are excluded and harmony is imposed by external regulation, and where at the same time the flexibility and freedom and progress which can come only from this struggling and resisting are to be incorporated, is a hybrid impossible of realization, a contradiction in terms.

Accepting the state, therefore, as the unit of organization, and assuming that when the party programmes call for the collective ownership and operation of the means of production they mean what they say, we may turn to the problems of the organization of production — the selection of the administration, the allotment of work, and the regulation of output.

In the first place, who are to be the stewards of King Proletariat, and how are they to be chosen? In spite of Saint-Simon's and Engels' oracular utterance that the government of persons will be replaced by the administration of things, the new régime will necessarily be a government of persons by persons, more or less for (certain) persons. It must be radically democratic, all modern socialists are agreed; here and there a socialist recognizing that democracy is not incompatible with the keeping of some monarchical trappings.[1] But when it comes to translating

[1] Cf. Menger, *Neue Staatslehre*, book iii, chap. 3.

abstract democracy into concrete institutions, evasion or divergence is met with. By those who face the problem three main solutions are offered — the extension of the existing state machinery, with all departments of industry in charge of political heads, as in the case of the post-office at present; the differentiation of the political and the industrial state, with the control of industry in the hands of expert commissions; and autonomous administration by trade unions, selecting their own chiefs.

The choice of system would in great measure depend on the method in which the socialist commonwealth came into being. Coming as a result of the gradual extension of state and municipal ownership to one industry after another, the first alternative would be the most probable solution. The prospect is one which should warm the cockles of a Tammany grafter's heart. Here would be a prize worth the striving for, the control not of a narrow section of men's activities but of the whole wide field. Incalculable interests would be at stake. And we are asked to believe that in the strife there would be no factional struggle, no wire-pulling, no dickering, no ward heelers, no slates. We are offered assurances, childish and bland, that in this ideal state only the fittest will be chosen to office,[1] and that there will be no machine, the government being merely a committee of the workers to conduct their joint affairs.[2] To appreciate these idyllic forecasts to the full, one needs

[1] Bebel, *op. cit.*, p. 276: "Whether the central administration shall be chosen directly by popular vote or appointed by the local administrations is immaterial. These questions will not then have the importance they have to-day; the question is then no longer one of filling posts that bestow special honor, or that vest the incumbent with greater power and influence, or that yield larger incomes: it is then a question of filling positions of trust, for which the fittest, whether male or female, are taken."

[2] Simons, *op. cit.*, p. 177: "This does not mean that there would be an enormous industrial and political machine in the hands of a majority of the voters. . . . The government . . . would be simply a committee of the workers to do for the whole body of the workers the things in which they were all interested."

to have followed closely some of the innumerable faction fights within the ranks of the socialist parties of to-day, or to have watched a socialist junta jam a nomination or a platform plank through a convention, despite the protests of obscure members of the rank and file; and this when the prize at stake was not office but the empty honor of being defeated for office.

The contention that the universal adoption of civil-service reforms would cure all ills fails to meet the issue. Such a measure might do much to keep the civil service out of politics, in the sense that appointment to its ranks would not be made the reward of party activity; it could do little to keep politics out of the civil service, once practically every worker was a government worker. Political activity would then take the form, not of domination of the government by an outside organization, but of an internal contest between different groups and occupations seeking to promote their collective interest by gaining control of the administration. Under socialism civil-service reform becomes utterly meaningless and inapplicable. To prohibit civil servants from political activity when everybody is a civil servant, is to disfranchise the nation. "When everybody is an officeholder," declares Jean Jaurès, "there will be no officeholders." There is a glint of truth in this paradox of the brilliant leader of the French socialist movement, so far as it implies that in the future the lines of division would not run between a specialized bureaucracy and the mass of officeless citizens. Yet the fact remains that the lines would continue to be drawn, the struggle merely being transferred within the ranks of the service. If every citizen were an officeholder, in the hands of the officeholders alone would rest the power to determine, by vote and combination and pressure, the conditions of their employment.

That administrators so chosen would be the tools of

faction is inevitable. That they would have neither the expert training nor the permanent tenure required for efficient administration of complicated industrial departments is only too probable. The weakness of such a socialist administration, however, is not merely personal. It would fail chiefly because the unwieldy centralization involved would be fatal to progress and efficiency. Bureaucratic routine would paralyze initiative. Regularity of procedure rather than efficiency of production would be the criterion applied. The red flag would be shredded into red tape.[1]

Recognizing that inefficiency and factional struggle would be inseparable from political administration, some socialists propose universal government by commission. Vandervelde, for example, would substitute for the responsible but incompetent politician the competent but irresponsible expert. Citing with approval the declaration of a Belgian business men's memorial that certain abuses in the railway tariff "will last so long as the railroads are operated by the state and directed by a politician, who

[1] A frank socialist recognition of this danger is found in Vandervelde, *op. cit.*, p. 131: "In the administrative like the political order, the characteristic of the present [state] system is centralization pushed to the extreme. . . . In the Belgian state railways for example — and as much might be said for other countries — an engineer in charge of a shop cannot modify in any way the processes or the system of operation in the service which is directly entrusted to him, without the authorization of his chief, who in his turn has to ask the authorization of the management, which again, in most cases, has to ask the approval of the council of administration. In short, every initiative has to pierce three zones, in which it has much chance of meeting obstacles in routine, ignorance, or hostility. If it starts from a man of much will-power, it will overcome these obstacles, but as men of this type form the exception, the initiative quickly finds itself rebuffed, and oftener than not it ends by becoming null. On the other hand, this triple overlapping, which is required by the organization itself — with the aim of bringing everything back to the centre — results in the suppression of responsibility. . . . The great question is to know whether the authorizations, following the hierarchical ladder, have been asked and obtained. The cost of production is not considered."

will always be a mark for solicitation and pressure of every kind," he urges the universal adoption of the Swiss and Australian government railway methods of control by independent commissions and also of the decentralized administration found in large private corporations.[1] The ideal of the English Fabians is essentially the same. The proposal is not without its strong features. A bureaucratic hierarchy — or a decentralized bureaucracy, if one can conceive of bureaucracy being decentralized — might avert some of the worst evils of political pressure. It would do so, however, only at the sacrifice of political and industrial freedom. Absence of pressure entails absence of responsibility. It is more than probable that the failure of direct political administration of the huge, complex industrial machine would drive the socialist state into adopting commission rule. Herein, in fact, lies one of the most serious dangers the growth of socialism would entail; by heaping on central and local governments burdens too great for democratic institutions to cope with, it leads to their breakdown and the substitution of an irresponsible bureaucracy. The recourse to government by commission, to rule by Saint-Simonist benevolent and religious-minded despot or by Fabian well-oiled expert, involves a confession of democracy's failure. Government by state-appointed commissions has to its credit some notable achievements. There is, however, need here for discrimination. For its success three conditions appear to be indispensable. The number of commissions should not be so great as to make impossible that constant and focused publicity which today tempers authority and remedies the evils of inertia and routine and cliqueism which sooner or later beset such bodies. The commission succeeds best when its function is gathering and dispensing information or regulating private industry; it succeeds least when it endeavors itself to

[1] Vandervelde, *Collectivism and Industrial Revolution*, translated by Kerr, p. 130.

carry on complex administrative duties. Finally, commissions can be independent of party pressure only so long as their appointment is not the main function of the government, and therefore not the main issue on which elections turn. Set up commissions in every sphere of activity, impose upon them the burdens of administration as well as of publicity or regulation, make them so important a factor in government that their choice will be the chief object of party rivalry, and if we escape from Prussianizing our free democracies it will only be by relapsing into the régime of faction and pull for which the commission is suggested as a remedy.

A third alternative is the election of the higher officials in each industry by the workers directly concerned, rather than by the general electorate. This plan has been put forward sporadically for many years but has recently been given fresh momentum by the growth of syndicalism, the revolutionary European trade unionism which sees in the union or guild the cell of the future social organism. The advantage claimed for this solution, the knowledge on the part of the voters of the requirements of the office and the capacities of the candidate, is not without force. The fatal flaw in the plan is that the very conditions which give this restricted electorate fuller knowledge of the situation, heighten their direct personal interest in the issue; the range of factional struggle would be narrowed but its intensity deepened. Gronlund's suggestion of escape from this dilemma by giving subordinates power to elect but superiors power to dismiss, the personage at the apex alone being liable to dismissal by the constituency which elects him,[1] is more ingenious than convincing, with its naïve expectation that the officials would be given power unpledged and unfettered. Nor is provision satisfactorily made for the general coördinating and directing staff, which would not come within the field of any specific

[1] *Coöperative Commonwealth*, chap. 8.

union. This device, like the other plans put forward, leaves unsolved the serious problem of how to combine administrative efficiency and administrative responsibility. It does not exorcise the politician. Competition, driven out of the economic door, flies in at the political window.

The administration chosen, the secretariats organized, one of the chief problems to be faced would be to determine what should be produced, and in what quantities. For the bulk of commodities no especial difficulty should arise, particularly in the event of gradual and piecemeal establishment of socialism. The demand for the great staples would be clearly audible and readily met. The danger here is twofold: that production would fall into a rut and that some articles would be tabooed by the prejudice of the majority. There would not be the same stimulus to variety which exists to-day when successful novelty spells fortune. Inertia, buttressed by short-sighted theories of economy based on the inability to recognize the necessity of a wide margin of experiment and failure for variation and progress, would tend to stereotype wares and processes. And with the instruments of production in its hands it would be easy for the state to repress all habits and tastes which seemed to the majority pernicious or useless, by simply not producing the goods in question. Beer might go — picture a socialist commonwealth without beer — and on beer might follow tobacco, or nerve-racking coffee, or corsets, or vaudeville, or prayer-books, as the majority swayed. The same tendency exists to-day, where, as in the case of alcoholic drinks, the evils of excess are serious and widely recognized, but under collectivism its application would be immensely simplified and extended.[1]

[1] Renard proposes the division of wants into absolute and relative, the labor-force of society being directed in the first place to the production of the absolute minimum required and then to the production of such additional commodities as a majority vote of the citizens may add to the list. — *Revue socialiste*, xxvii, pp. 18 seq. Yet Renard is an eager champion of individual liberty!

How much to produce is an even more difficult problem than what to produce. Under existing conditions the adjustment between demand and supply is effected by price fluctuations, automatically warning the producers of approaching scarcity or superabundance and setting in motion counteracting forces. The adjustment is not effected without frequent friction and loss, but when the modern world-wide interdependent system of production and exchange is comprehensively surveyed, the marvelous flexibility and adequacy of the mechanism stand out in clear relief. The traditional socialist doctrine of labor-value has, however, made it appear essential to many collectivist schemers to forego this expedient, substituting for the existing currency, labor-notes corresponding to the work performed, and setting up statistical computation in place of price variation as the means of adjusting supply and demand. Even Marx and Engels, while condemning as Utopian proposals to establish labor-note experiments in the midst of a competitive economy, looked forward to their adoption under the collectivist régime.[1] Bebel adheres to the same general arrangement,[2] and Kautsky, while retaining a token money, deprives it of its function as a measure of value, and trusts for equilibrium to some undefined system of "social regulation." [3] The growing recognition of the unsoundness of the labor-value doctrine, and of the impossibility of determining and equating the labor applied in any specific instances has led other social-

[1] Cf. Bourguin, *op. cit.*, pp. 116 seq., for convenient statement and criticism of the Marxian position.

[2] "There being no 'merchandise' in Socialist society, neither can there be money. . . . Socialist society produces no article of merchandise — only articles of use and necessity, whose production requires a certain measure of social labor. The time on an average requisite for the production of an article is the only standard by which it is measured for social use. . . . Any voucher — a printed piece of paper, gold or tin — certifies to the time spent in work, and enables its possessor to exchange it for articles of various kinds." — *Op. cit.*, pp. 291–292.

[3] *Social Revolution*, p. 133.

ists to disregard all such devices as "Utopian and puerile," and to propose to retain money with its present functions.[1] Undoubtedly the latter proposal greatly simplifies the socialist task of adjusting supply and demand, as in fact every rejection of the specifically socialist proposals and the substitution of the tried and proven methods of the much-criticised existing system simplify it at the minor expense of consistency. The retention of money, however, brings new complications with the possibility involved of lending it at interest and thus perpetuating economic inequality and economic "exploitation." Men would differ in their discount of the future then as now. Could the Red Pope succeed better than the Black in the attempt to repress the taking of usury? In the Russian mir there was no escape from the usurers, the "mir-eaters." As Engels clearly perceived, the retention of money with its full present-day functions leads fatally to the "resurrection of high finance" and the dominance of the community by new masters.[2] Whether money be rejected or retained,

[1] Cf. Hillquit, *Socialism in Theory and Practice*, pp. 118–119, where Kautsky is quoted in support of the retention of "money," without any intimation of the restricted scope Kautsky assigned to it.

[2] "Herr Dühring prides himself that in his community one can do with his money as he will. He cannot prevent one man, therefore, from saving money and another from not making his wages sufficient. . . . *Non olet.* The community does not know whence it comes. But now arises the chance for money, which has up to now played the rôle of a standard of work performed, to operate as real money. The opportunities and motives arise for saving money on the one hand and squandering it on the other. The needy borrows from the saver. The borrowed money taken by the community in payment for means of living becomes again what it is in present-day society, the social incarnation of human labor, the real measure of labor, the universal means of circulation. All the laws in the world are powerless against it, just as powerless as they are against the multiplication table or the chemical composition of water. And the saver of money is in a position to demand interest, so that specie functioning as money again becomes a breeder of interest. . . . Gold and silver remain in the world-market as world-money. . . . Then profit-hunters transform themselves into traders in the means of circulation, into bankers, into controllers of the means of production, though these

foreign trade, it may be noted, particularly with unregenerate competitive nations, adds greatly to the complexities to be faced, disturbing in the one case th nicely calculated adjustments of the statistician, and in the other increasing the opportunity of individual profit and social disintegration.

The next question which would present itself would be the assignment of the working force to their posts. It is not merely the *Stiefelwichsfrage* that is involved, the question who is to black the boots of socialism, for it may be granted that with the (granted) advance of science the undesirable work would be made less repugnant. But it is forgotten by socialist apologists that this improvement is to be expected all along the line, and the relative undesirability would persist. To parallel Lassalle's contention, to the scavenger it will not matter that he is better equipped than the scavenger of a century before; it will matter that he is not so comfortably occupied as his neighbor who is a clerk in the central bureau of the Commonwealth Scavenger Service. The naïve hope that inferior men will recognize their inferiority and volunteer to do the lower tasks is a remnant of Utopian fantasy;[1] were it true that the men of the western world are prone to think their fortunes equal to their deserts, the socialist movement would lose nine tenths of its recruits.

may remain forever as the property of the economic and trading communities in name. Therewith the savers and profit-mongers who have been converted into bankers become the lords of the economic and trading communes." — *Landmarks of Scientific Socialism* (*Anti-Dühring*), translated by Lewis, pp. 248–250.

[1] "We must not forget that there is a natural inequality of talent and of power. In any state of society most men will prefer to do the things they are best fitted for, the things they can do easiest and best, and the man who feels himself best fitted to be a hewer of wood or drawer of water will choose that rather than any loftier task. There is no reason at all to suppose that leaving the choice of occupation to the individual would involve the slightest risk to society." — Spargo, *Socialism*, p. 233.

Conceivably the problem might be solved soldierwise, the central authority ordering the new industrial recruits to the posts most sparsely manned. The Saint-Simonists looked forward to the day when a socialist amateur Providence, with insight to discern capacity, and power to provide opportunity, would insure unfailing adjustment, and socialists of some later schools which set more store on narrow efficiency and four-square regularity than on human liberty have echoed the proposal.[1] Permanent acceptance of such benevolent despotism by any western people is plainly impossible. It may be true that at present liberty of choice is seriously restricted by economic inequality, but such impersonal compulsion is endurable, and it may be hoped, with increasing thoroughness of training and increasing provision for open-eyed and intelligent selection of career and employment, curable, whereas definite personal compulsion stirs revolt. To their credit the great majority of modern socialists utterly reject this conscription solution as intolerable. The only recourse left is an equalization of advantages by shortened hours or heightened pay in the disagreeable occupations, until the desired adjustment is effected. Consideration of this proposal, however, involves the general question of the socialist pay-sheet, the method of distribution of the national dividend.

On no question is there more diversity in the socialist camp than on this subject of distribution. The party programmes are silent. Among the authoritative individual writers there is no consensus of opinion. Although in criticism distribution bulks largest, in construction it is to-day least stressed. Reticence is sometimes defended on the plea that it is not a matter to be settled by considera-

[1] Cf. the spirit of Karl Pearson's remark, in *Ethics of Free Thought*, p. 324: "Socialists have to inculcate that spirit which would give offenders against the state short shrift and the nearest lamp-post. Every citizen must learn to say with Louis XIV, 'L'État, c'est moi.'"

tions of justice, by "ideological pretenses of right"; but will depend on the productive relations existing.[1] True, but if the system of distribution is a necessary consequence of the system of production, and the system of production which is to be established in place of the existing order has been revealed to the seers of socialism, there is all the less excuse for hesitancy in drawing this necessary deduction. Nor can it be fairly maintained that considerations of justice are not involved. Had the adherents of socialism demonstrated its inevitability, it would be idle to ask this or any other question of remorseless fate. But since, in large part, at least, acceptance or rejection of socialism will depend on the conscious striving of mankind, it is necessary to consider what betterment it has to offer. The socialist cannot be permitted to denounce with voluble vigor the existing system of distribution, to base on its defects his strongest appeal to the discontented, and then himself to escape the test he has applied.

To many socialists the old solution of equal sharing still appeals most strongly. It has the merit of simplicity; if it worked at all it would be easy to work. It is, in fact, largely from sheer despair of the other solutions that some have been driven to advocate it. "The impossibility," confesses a Fabian Essayist, "of estimating the separate value of each man's labor with any really valid result, the friction which would be provoked, the inevitable discontent, favoritism, and jobbery that would prevail — all these things will drive the Communal Council into the

[1] Marx, *On the Gotha Programme:* translation in *International Socialist Review*, May, 1908, p. 650. Marx continues: "Under any and all circumstances the distribution of the means of consumption is but the result of the distribution of the conditions of production itself. If the material conditions of production are the joint property of the workers themselves, just so there will result a distribution of the means of consumption different from that of the present day." Cf. Kautsky, *Das Erfurter Programm*, pp. 155 seq., where, however, no very definite deduction is drawn, other than a probable tendency toward equality.

right path, the equal remuneration of all workers."[1] The complete disregard of the standards of need and of merit stamps this standard as unsatisfactory whether from the standpoint of justice or from the standpoint of practicability. Neither in the Babeuvian form of an equal distribution of concrete consumption goods, a regimented and rationed uniformity, nor in the somewhat more flexible form of equal allotment of unspecialized purchasing power, could this method of reward adapt itself to the wide variations of age and health and sex, or the more fluctuating but no less real differences of individual capacity and interest. Its adoption could weather the discontent of the abler members of the community only at the cost of a slackening of effort which would make the maintenance of efficiency in production impossible.

The traditional communistic standard is, "to each according to his needs." This solution was advocated by the German socialist party in the platform adopted at Gotha in 1875, and while in later programmes the dominance of the Marxian over the Lassallian influence brought discreet silence on the point, it is generally regarded even by the socialists who reject it, as the solution of the far future. In a higher phase of communist society, Marx declared, when the narrow specializing of individual labor has disappeared and the forces of production have been multiplied, then, and then only, "can the narrow bourgeois horizon of right be wholly crossed and society inscribe upon its flags, Each according to his capabilities; to each according to his needs!"[2]

Theoretically this ideal has much to commend it, espe-

[1] Annie Besant, *Fabian Essays*, p. 148.

[2] *On the Gotha Programme*, p. 649. Hillquit, *Socialism in Theory and Practice*, p. 117: "To the socialists the old communistic motto, 'From each according to his ability, to each according to his needs,' generally appears as the ideal rule of distribution in an enlightened human society, and quite likely the time will come when that high standard will be generally adopted by civilized communities."

cially when needs are interpreted in an ideal sense as comprising whatever is requisite for the fullest development of human personality. It would be the standard of a community served by the genii of the lamp, able to call wealth into existence by a wish. To a limited degree, indeed, it might prove practicable; to a limited degree it does prove practicable to-day; the amount of police protection or use of the king's highway a citizen obtains is not based on equality or merit but on need. This degree of communistic distribution is, however, feasible simply because limited, and because the expense is met by levies on competitively earned wealth. Even were it desirable to adopt as the basis of distribution a standard which lays all stress on appetite, physical or mental, and none on efficiency and desert, it would be impossible: men's desires are infinite and the means of satisfying them will always be finite. If the individual's own estimate of his reasonable needs were taken, the socialist treasury would be bankrupt in a week: if official estimate, the prospect of jobbery and tyranny opened up must give the most fanatical pause.

A variant of this proposal is suggested by Sidney Webb who puts forward the needs of the occupation as the touchstone.[1] "The needs of the occupation" is a delightfully hazy phrase, but seems to imply a gradation according to dignity, payment in proportion to the amount of conspicuous waste required in the position, ten thousand a year to the bishop and fifty pounds for the curate. However this legal recognition of status and caste may appeal to the Brahmins reincarnated in the Fabian Society, it is hardly an effective slogan for proletarian vote-catching.

[1] "This competitive wage we socialists seek to replace by an allowance for maintenance deliberately settled according to the needs of the occupation and the means at the nation's command. We already see official standards regulated, not according to the state of the labor market, but by consideration of the cost of living. This principle we seek to extend to the whole industrial world." — *Socialism True and False*, Fabian Tract, no. 51, p. 17.

Still a third standard is offered, that of service rendered. One variation of this standard is embodied in the old war-cry, "The right to the full product of one's labor." It has been a standing charge of many schools of socialism that under the existing system the worker does not receive this full product, but is robbed by the deductions made by landlord and capitalist. The hollowness of the charge is admitted when, in attempting to apply the principle to distribution under collectivism, it is recognized that deductions must be made for the upkeep of capital. Further, it lies on the surface that a rigid application of this standard would mean short shrift for the weak and the incapable, so a second deduction must be made, and still further allowances are required for the services shared in common. How is the balance to be distributed? How is it possible to isolate each man's contribution to the joint product, to determine what is the full product of *his* labor? What fraction shall go to executive direction, what to bookkeeping routine, what to manual operation? "To search for the portion of an individual's labor in a social product," admits Vandervelde, "is, in the vast majority of cases, like trying to find a needle in a haystack."[1] Even if by some fantastic process of marginal imputation this could be ascertained for the individual workshop, what of the contribution by all the imponderable forces without the factory, whose coöperation is essential? As a matter of fact this traditionally socialist standard is not socialistic at all, but the essence of individualism. If socialism stands for anything it stands for the all-importance of society. Values, it must assert, are social products; the society of the past has prepared the knowledge and the skill requisite for the making, and the society of the present gives the market and distributive mechanism requisite for the vending, of every commodity or service. The persistence in socialistic thought of the demand for the "full product of one's

[1] *Op. cit.*, p. 143.

labor" is a survival of primitive handicraft individualism.[1]

A second variation of payment according to service is the proposition to reward the workers in proportion to the socially necessary labor-time expended. The qualifying words make this a measure not of time spent but of work done. By many commentators Marx is held to have committed himself to this standard by his advocacy of the labor-value doctrine, but it is answered, with reason, that this doctrine is held to be valid only in a capitalist economy.[2] However this may be, Marx has explicitly committed himself to a standard of distribution — to rule pending the development of society to the stage where need shall be the only test — which involves paying to each the equi-

[1] "In a society of private producers, private individuals or their families have to bear the cost of creating intellectual workers. An intellectual slave always commanded a higher price, an intellectual worker gets higher wages. In an organized socialist society, society bears the cost, and to it therefore belong the fruits, the greater value produced by intellectual labor. The laborer himself has no further claim. Whence it follows that there are many difficulties connected with the beloved claim of the worker for the full product of his toil." — Engels, *Landmarks of Scientific Socialism*, p. 222.

On the assumption apparently made by Engels that superior capacity is entirely a matter of social training, the logical deduction would be equal remuneration for all.

[2] Schäffle, *Quintessence of Socialism*, chap. 6, and Graham, *Socialism New and Old*, chap. 6. Hillquit is seemingly justified in denying that any deduction as to distribution standard can be drawn from the theory of value advanced (*Socialism in Theory and Practice*, p. 115), but is on less safe ground when he attempts to read into Marx a renunciation of all attempts to forecast future distribution relations. "In fact, Marx occupied himself just as little with the distribution of wealth in a future socialist state as Darwin occupied himself with the ultimate physical type of man. As a true man of science, he limited his researches to the past developments and existing facts and tendencies." Doubtless this is what Marx should have done had he been nourished on Darwinian concepts of evolution, but since as a matter of fact it was from Hegel rather than from Darwin that he drew his inspiration, his thinking is permeated with a teleological tendency quite alien from the "brute causation" of the biologist.

valent of his product, less the necessary social deductions, his product being rated on a labor-time basis.[1] The main difference between this and the preceding variation seems to be that the one gives the worker the whole product of his labor, the other, the whole product minus a proportionate reduction for public purposes. It is no clearer in the one case than in the other how that whole product is to be isolated and determined. Three fourths of x is as elusive as x.

Without demanding the impossibly precise adjustment of work and reward provided in these proposals, many socialists favor the principle underlying them. It may be impossible to ascertain the absolute contribution made by any factor to the product, but relative efficiency as between units of the same factor is a matter of everyday computation. It would be possible to discriminate between efficient and inefficient service, to estimate the comparative social utility of different occupations and to adjust the payment accordingly. The variations of income would, however, be less than to-day because of the equalization of opportunity and the abolition of all privileges except the privilege of ability. This frank recognition of the superior claims of ability is especially distinctive of many present-day English socialists.

From the standpoint of practicability this position seems the soundest yet discussed. So far as it can be determined, efficiency must be the primary consideration in

[1] "Accordingly the single producer (after the deduction) receives back exactly what he gives to it. For example, the social workday consists of the sum of individual working hours; the individual working time of the single producer is that part of the social workday furnished by him, his share of it. He receives from society a receipt that he has furnished so and so much work (after the deduction from his work for the common funds) and with this receipt he draws out of the social supply of the means of consumption as much as costs an equal amount of work. The same amount of work which he has given society in one form, he receives back in another form." — *On the Gotha Programme*, p. 648.

the adjustment of reward. It cannot, however, be made the sole consideration. The desire to base reward solely upon efficiency is incompatible with the necessity which socialists have been forced to recognize of equalizing the advantages of different trades to secure an equilibrium of labor-supply. If wages are lowered in the crowded callings and raised in the shunned, they will be inversely proportional to the attractiveness of the calling. If, then, the wage paid must also be in direct proportion to the efficiency of the service, this can only be if the efficiency of labor to society and its attractiveness to the worker vary inversely. This would be to exalt into a national standard of justice the proposition held firmly by many old dames that the efficacy of castor oil and other medicines is to be rated inversely to the pleasantness of their taste. Clearly such equalization of advantages does away with the possibility of proportioning work and reward in ideal fashion. Clearly it is needed to make the machinery work. There is no other recourse than to adopt the existing basis of distribution.

Distribution of income to-day is not effected in accordance with any abstract principle of justice. It is a matter of bargaining power, of relative indispensableness, of ability to make good a claim to sharing by the threat of withdrawal. So far as the division of reward between the different factors of production is concerned, the share that falls to labor, for example, is determined by the proportion of labor-force available relatively to the supply of land and of capital and of entrepreneur ability; by the relative degree of organization, efficient leadership, and financial staying-power; by the extent of alternative opportunities; by the existence of recognized standards of living, affecting public sentiment, strengthening union resistance, or setting limits to employers' demands; and by every other fact in the complex industrial situation which makes for or against bargaining strength. So far, again, as the rewards

of workers in different occupations are concerned, they vary to some extent with the grade of ability, the rareness or abundance of the qualities required, and within strata of approximately equal ability, they vary in the one direction according as barriers of expensive education or trade-union or profession-imposed test make membership a special privilege, and in the other according as the agreeableness of the work or the social prestige attached draws superabundant applicants; in short, they vary with every circumstance which affects demand and supply relations or otherwise determines relative bargaining strength. So far, finally, as the rewards of workers in the same occupation are concerned, they vary with efficiency, to the extent that efficiency may be determined. Tried by any of the conflicting socialist standards of justice, this system of distribution is far from perfect. Yet it may be said to combine in a fair measure what is valid in each of the ideals set forth, and it can be made to conform more closely without abandoning the flexible demand and supply adjustment which makes possible the smooth working of the industrial order. Equality, indeed, it does not secure; much may be done to bring about greater equality of opportunity; given a fair field, the inequalities of achievement and of reward that result are not open to valid criticism. Needs are partially recognized by the provision, within the limits suggested, of services in common, and by the growing stress laid on the standard of living and a living wage. Service, so far as ascertainable, is made a determining factor in reward. The criticism to be directed against the socialist position on this subject, is not that there is no merit in the ideals set forth. It is, rather, that none of the standards of justice is itself an adequate interpretation of justice, and that no abstract standard of justice can be adopted as a practicable basis of distribution. Further, when ethical standards are agreed upon, it is possible, within the limits of the existing order, to secure

a rough approximation to them; it is possible, by strengthening this or that factor, to alter the resultant of forces, hereby enlarging educational opportunity, thereby giving freer play to union activity, without endeavoring entirely to supersede the play of forces by rigid governmental rationing. Society's best hope lies in continuing to moralize the laws of supply and demand, not in endeavoring to disregard them.

Grant, it may be urged, that the basis of distribution remains the same; the important fact remains that the product to be distributed will be so great as to yield a vastly greater dividend to the average worker. This raises the problem of problems which faces the socialist commonwealth, the maintenance of efficiency. For in the long run the stability of a socialist commonwealth would depend more on its success in the field of production than on its justice in the field of distribution. The source of social discontent to-day is the great gap between the material demands men make on life and the actual share that falls to their lot. A readjustment of values, the laying less stress on abundance of goods and chattels, the introduction of the simple life, might aid by lowering the upper demand level, but it is not this way socialist desires run. For socialism the gap must be filled by raising the supply level, increasing the goods and services in the national dividend. How may this be done?

The popular socialist view is that under the new dispensation the huge share of wealth now annually appropriated by the capitalist class would be available for distribution among the workers, to their great easement. "Unfortunately," as Kautsky reminds the more optimistic brethren, "things are not to be done so simply. When we expropriate capital, we must at the same time take over its social functions" [1] — social functions of which little was heard when the capitalist was being denounced as

[1] Kautsky, *The Social Revolution*, p. 136.

a robber and exploiter of other men's toil. The capitalist, great or small, is to-day charged with the important obligation of providing out of his income the capital necessary for the extension and development of industry. It is probable that one third of the total income of the American capitalist is at once reinvested in production. This service, which superficial critics are prone to overlook entirely, would, under socialism, necessarily be assumed by society as a whole. From the total product there must first, then, be made the large deduction necessary for the carrying-on of industry. Further, on the assumption that compensation rather than confiscation will be adopted, and the more gradual and political the method by which socialism is attained the more inevitable is the choice of compensation, there must be made large deductions for the payment of the interest due the former owners of the capital appropriated. No fraction of this income can be directly applied, under a socialist régime, to reinvestment; it must perforce be spent in consumption goods and society as a whole be burdened with the double task of providing capital and providing for the ex-capitalist.[1] Kautsky is only facing the inevitable when he admits that there is little possibility of raising the workers' rewards from this source and that their only hope of betterment lies in an increase of production beyond the present level.[2]

Under the existing system, it should be borne in mind, this betterment by the improvement of production is not merely a vague dream but an actual and continuing reality. The increase in the world's wealth is constant and substantial, at least a proportionate share falling to the working classes. What possibilities of increased production has

[1] See page 184, *supra*.

[2] "There is none too much remaining over from the present income of the capitalist even if we confiscate capital at one stroke. There is even less if we wish to compensate the capitalist. It would then be absolutely necessary if we were to raise the wages of labor to raise production above its present amount." — *Op. cit.*, p. 136.

socialism to offer to compare with these realities? In the first place, it is hoped, the productivity of labor could be increased by concentrating work in the largest and most perfect industrial plants and throwing the rest out of service.[1] This appears theoretically quite feasible. It is, as the references to trust precedents show, a tendency which is actually at work in existing society, and its pace might well be accelerated, were industrial rather than financial considerations uppermost. The conclusion that the productivity of society might be doubled or tripled in this manner, however, rests on a neglect of the increased capital outlay required for the larger works, and on the unwarranted assumption of the applicability of large-scale production to the whole field of industry. Incidentally it may be queried how in these huge factories, organized like clockwork, Mr. Keir Hardie's lamenting workman[2] is to escape from the minute and rigid discipline complex organization entails, or what becomes of the visions of all-round versatility based on suppression of division of labor? Again, it is hoped that increased productivity will result from the abolition of parasitic industry, the diversion of the superfluous hosts of middlemen to more productive employment. Assuming that the allegation of parasitism is sound, and not merely evidence of failure to comprehend the service rendered by a fully developed specialization of labor, it may be doubted whether the saving claimed would not be more than offset by the expense of keeping up the host of officials required to maintain equilibrium between supply and demand. The parasitical statistician would be little improvement on the parasitical middleman.

There is here little promise that the productivity of industry would be appreciably increased beyond the present level, less that it would increase faster than it is doing year by year under existing conditions. Is there, in

[1] Bebel, *op. cit.*, p. 280; Kautsky, *op. cit.*, p. 137.

[2] Page 31, *supra*.

fact, any warrant for assuming that the present efficiency would be maintained? Grant that so far as the formal organization goes, with the whole available population enrolled in productive employment, and concentrated in the largest and best-equipped establishments, the socialist machinery would be adequate; the all-important question remains, what motor-force would be available to drive it? Were the organization never so perfect on paper, the collectivist state could survive only if the motor forces influencing the individual workers were approachably as strong as those in operation to-day. For whatever work of ill, the existing institution of private property supplies this absolutely needful stimulus. It has grown up and flourished because rooted in imperishable qualities of human nature. It dikes and concentrates individual energy, making the connection between the activity and the material welfare of the worker and his family circle direct and compelling. It acts on one man through his ambition for preëminence and power, on another through his less vaulting hopes of fireside comfort and hobbies satisfied, on others, lacking all opportunity, capacity, or ambition, by their grip on bare existence. The sudden spurts of patriotic fervor or religious zeal may supplement but cannot replace this silent, eternal, persistent force. The emphasis, the over-emphasis, which Marx laid on the economic factor in history was only a recognition of this truth.

A socialist commonwealth could offer no guarantee for efficient production comparable to this. What would be put in its place? Heightened zeal for the common weal? Perhaps for a rare minority, but for most men zeal for humanity spreads thin once the circle of family and friends is passed. The readiness of soldiers to die for their country, which Vandervelde hopefully cites,[1] does not promise a willingness of workers to live for their country, unbuoyed

[1] *Op. cit.*, p. 183; urged as supplement, not as substitute.

up by the blare of trumpet and the momentary lust of battle. Mutual supervision, actuated by the interest each has in the increase of the national dividend? Again too diffused a force, effective, if at all, only against the most flagrant individual dereliction, not against the more gradual and more serious slackening and soldiering all along the line. The instinct of workmanship? Possibly, if every man could be detailed to work on his own hobbies, or if handicraft conditions returned; but in Herr Kautsky's huger steel mills and more highly specialized textile factories of the future what greater scope for the instinct of workmanship than to-day? "Ambition, the desire to occupy the highest places in the hierarchy of labor?"[1] A powerful force, but it is rather naïve to imagine that the highest places in the hierarchy of labor will necessarily go to the hardest workers, rather than, when all business becomes politics, to the most adroit politician, the hangers-on of the huge national machine of the socialistic boss, or, if commission bureaucracy is installed, to the hierarchical favorites. More broadly, emulation, "the desire to excel and earn the recognition of their fellow men?"[2] It is urged with much force that men strive for pecuniary success because in a competitive society pecuniary success is the evidence and seal of ability and prowess, the readiest means to the end of recognition; under socialism, they will continue to strive for the same end, the recognition of their fellows, even though the present intermediary standards of pecuniary achievement are discarded. Undoubtedly this spirit of emulation underlies much of the activity of the western world, though it should not be stressed to the exclusion of the primary need for subsistence, the desire for comforts and luxuries, the thirst for the power and leverage pecuniary success can give. Money is not merely a counter in the game of success, or poker and bridge

[1] Vandervelde, *op. cit.*, p. 182.
[2] Hillquit, *op. cit.*, p. 125.

would give less occasion for offense to the moralists. So far as it does motive activity, there is no warrant for believing that under socialism it would suffice to enforce socially desirable activity. The baseball hero, the champion pugilist, the strutting warrior, the political demagogue might receive the crown of wild olives which in the paper scheme was meant for the worthy head clerk in the Seventy-third District's Statistical Bureau.[1] Why assume that natural harmony of social and individual interest which the socialist critic has so frequently denied? Discrepancies will exist whether the end sought by the individual is kudos or is cash. The misdirection of public judgment and taste which the social student deplores will work equally disastrously whether acting directly in determining to whom honor shall be paid, or indirectly in determining what wares or services are to be purchased and which pursuits be made most profitable. So long as the social standards of what is meritorious and worthy of applause are not changed, and there is no ground for assuming that a regeneration of human nature will follow the mere substitution of the state for the individual as owner, there can be no important difference in the direction in which activity is directed; there will, however, be a disastrous difference in the intensity, once the motive of winning recognition is made the sole dependence and the motive of pecuniary success is discarded.

There is, then, little likelihood that the socialist state could surpass or ever equal the existing order as an instrument of production. There is little likelihood that it could consistently work out a more just and practicable method of distribution. And, on the other hand, to attain this barren result, we are invited to set up an industrial system which has serious positive defects. Most serious is the

[1] "Each one is animated by the desire for social esteem; but it is the esteem of those about him, the esteem of his own class which governs his conduct." — Ely, *Socialism and Social Reform*, p. 229.

danger that in abolishing competition we should abolish liberty. No amount of assurance given to-day by socialists that they do not wish to sacrifice liberty can avert that danger. In the centralized, all-powerful state which is the only organ that could do away with what the socialist terms the anarchy of production, and what he terms the exploitation of labor, freedom and flexibility would vanish. The worker might choose between employments; he could not choose between employers. He would be but one cog in an inconceivably complex machine. When all unconscious coöperation had been made conscious, when all the vast activity of the nation was made to pass in review before the central authority and receive the indispensable stamp of official regularity, individual initiative would be cramped to the uttermost and social progress made cumbersome and slow. To the consumer, the limitation of range in products and the lack of enterprise and experiment would prove intolerable. Especially dangerous would be the control of the organs of opinion. One of the most disquieting features of the present time is the grip which predatory interests have on a large part of the press, the paralyzing influence of the advertising on the editorial department. But to-day there is outlet possible for any group of enthusiasts seeking expression. Under an individualist régime socialist papers rise and flourish. Under a socialist régime would individualist heretics find as easy utterance? Would the "Capital" of the revolutionary Marx of the future receive the *Imprimatur* of the state printing bureau? Discontent, now scattered among scores of individual offenders, would then be concentrated on the state as sole offender, but its legal and peaceful expression would be made more difficult. To-day liberty is to many made a mockery by lack of equipment for the struggle, but the best way to make it real, to equalize opportunity, is not to set up a system which denies liberty to all.

If we turn to consider the fate of the institution of the family in a collectivist state, we find the same likelihood that in the effort to remedy an evil which besets the few it will be extended to all. Socialists with some justice resent the popular criticism directed against the exponents of "free love" within their ranks, from Bebel to Carpenter, on the ground that so far as theory goes, the party as a whole has never committed itself to such proposals, and that in practice there is no greater deviation from the standards of monogamous morality among socialists than among non-socialists. This may well be granted; granted, too, the justice of much of the socialist counter-criticism of the competitive conditions which for many make decent family life difficult or impossible. The fact remains, however, that quite aside from what may be the practice or the theory of individual socialists to-day, the inevitable result of the establishment of the socialist régime would be the universal breaking-up of the family relation. Inevitably the family would be crushed between individual selfishness and state interference, the care of children would more and more be made a state affair, family life would be emptied of its responsibilities as well as its privileges, of its burdens as well as of its joys, and marriage, with this source of permanence removed, become a temporary and arbitrary relation. What future transformations the institution of the family may be fated to undergo none can prophesy, but this is certain, that recent discussion has only tended to strengthen the view that no substitute yet proposed can vie with it in social utility, as a source of moral discipline, a means of socializing our thinking and of giving the ideals of fraternity instinct, rather than paper mandates, for their basis. Any industrial revolution which involves the undermining of the family, rather than its reinforcement on firmer foundations, which involves the substitution of the clumsy, external barracks methods of the state, which makes the bureaucrat the universal mother and the state

one vast orphan asylum, on that ground alone stands hopelessly condemned.[1]

[1] The diversity of views on this subject within the socialist ranks may be indicated by the following citations from representative spokesmen of the British socialist movement; so far as the majority of the rank and file are concerned, it is probable that the third quotation most nearly represents their opinion: —

"The present marriage system was based on the general supposition of the economic dependence of the woman on the man, and the consequent necessity for his making provision for her which she can legally enforce. This basis would disappear with the advent of social economic freedom, and no binding contract would be necessary between the parties as regards livelihood; while property in children would cease to exist, and every infant that came into the world would be born into full citizenship and would enjoy all its advantages, whatever the conduct of its parents might be. Thus a new development of the family would take place, on the basis not of a predetermined, lifelong business arrangement to be formally and nominally held to, irrespective of circumstances, but on mutual inclination and affection, an association terminable at the will of either party. There would be no vestige of reprobation weighing on the dissolution of one tie and the forming of another." — Morris and Bax, *Socialism: its Growth and Outcome*, p. 199.

"Socialism, in fact, is the state family. The old family of the private individual must vanish before it, just as the old waterworks of private enterprise, or the old gas company. They are incompatible with it. Socialism assails the triumphant egotism of the family to-day, just as Christianity did in its earlier and more vital centuries. So far as English socialism is concerned (and the thing is still more the case in America), I must confess that the assault has displayed a quite extraordinary instinct for taking cover, but that is a question of tactics rather than of essential antagonism. . . . Socialism denies altogether the right of any one to beget children carelessly and promiscuously; and for the prevention of disease and evil births alike, the Socialist is prepared for an insistence upon intelligence and self-restraint quite beyond the current practice. . . . The state will pay for children born legitimately in the marriage it will sanction. A woman with healthy and successful offspring will draw a wage for each one of them from the state, so long as they go on well." — H. G. Wells, *Socialism and the Family*, pp. 30, 58.

Mr. Ramsay Macdonald, after showing the weakness of the pseudo-scientific contentions of earlier socialists that the family was fated to disappear, continues: "The bearing of children sometimes is, and sometimes is not, a social function. If it is to be regarded as such, the state surely ought to have some power of control before it is asked to pay the bills, but that is quite impossible. Approached from this point of view, the proposal to endow mothers appears to be an outburst of an insane

Closely connected is the difficulty of overpopulation which any collectivist state must face. The possibility of an expansion of population which would take up all the slack in the advance secured, is one which socialists have preferred to endeavor to ridicule than to answer. It is true that since Malthus wrote his "Essay on Population" to make this point against the socialist dreamers of perfection in his day, the counteracting tendencies to which he then attached too little weight have brought it about that it is not overpopulation but race suicide which worries us today. Growing prosperity has made, not for a higher, but for a lower, birth-rate. But this has been so simply because of the predominatingly individualist structure of society. There is little doubt that the chief factor in the decrease of the birth-rate has been the prudence inspired by the desire to rise in the world, now that democracy and wider economic opportunity have made the climbing possible. "The barriers of caste are down. . . . Wide stairways are opened between the social levels and men are exhorted to climb if they can. In such case prudence forbids whatever will impede his ascent or imperil his social standing. To the climber, children are encumbrances, and so the ambitious dread the handicap of an early marriage and a large family." [1] Remove this connection between individual prudence and individual comfort, and you have removed the most potent check on overpopulation. Only by the protecting dike of private property is an inundation of misery averted. Probably the next most important cause of the decrease has been the emancipation of women and the consequent greater weight attached to the woman's reluctance to be burdened by the confining cares of a large family. Here also a socialist régime, with its com-

individualism claiming the right of a man or woman to exercise a selfish will without restraint." — *Socialism and Government*, ii, p. 148.

[1] Ross, *Western Civilization and the Birth-Rate*, Publications, American Economic Association, Third Series, viii, no. 1, p. 80.

mental care of children, would weaken the check. The only alternatives would be an overwhelming flood of population or the exercise by the state of that claim to control all births which, as Mr. Ramsay Macdonald declares, is "quite impossible."

But, some will feel, it matters little whether socialism is desirable or undesirable; what matters is — if socialist forecasts are true, and the rapid expansion of national and municipal ownership give them plausibility — that socialism is inevitable. To many, the spectre of manifest destiny makes argument unavailing, in spite of the constant unwillingness of fact to conform to the future confidently mapped out by the self-appointed soothsayers of manifest destiny. In bringing this brief review of the possibilities of a collectivist state to a close, a word may be said on this score. The essential fact to be borne in mind is the relatively limited area within which national or municipal ownership has approved itself. It is in the important, but limited, area of public utilities, of strategic industries, that public ownership has its field; and in this field it is only an alternative to the expedient of public regulation, an expedient which is only beginning to be given adequate test. Further, it is not permissible to deduce from the establishment or the success of a limited number of public industries the inevitability or the success of universal public industry. A limited degree of public ownership succeeds simply because it is a limited degree, succeeds because private industry, in individual forms or in the socialized joint-stock form, dominates the field as a whole. It is private industry that provides the capital, private industry that trains the men and tries out the methods, private industry that sets the pace, and — not least of its services — private industry that provides the ever-possible outlet for escape. As Hesiod sang nearly thirty centuries ago, the half is greater than the whole.

CHAPTER IX

THE MODERN SOCIALIST MOVEMENT

THE Utopian tactics of Fourier and Owen, of Saint-Simon and the Saint-Simonists, met, we have seen, with little direct success. The appeal made to all men of good will, irrespective of class or of rank, had fallen on deaf ears. Sweet reasonableness and community experiment had done little to raise socialism out of sectarian weakness and isolation. The time had come for a radical change of front. The new leaders of socialism were to seek victory by making the working classes their sole constituency and the class war their only policy.

The new tactics were not merely the reflection of the more aggressive temperament of the new leaders. The personal qualities and the intellectual preconceptions of Marx and Lassalle, of the men of the Communist League and the International, doubtless had important and lasting influence on the character of the movement, but in the main the truth is rather that the changed objective conditions demanded leaders of a new type. The revolution in the industrial world called for social and political readjustment. The days of handicraft were passing, the ever increasing scale of machine production put individual ownership of factory or railroad beyond the reach of the vast majority of workers. New policies to meet the new situation were taking shape; coöperation, trade union action, legislative regulation, were all being put to the test. Most radical of all proposals was the socialist's panacea of collective ownership and operation of all industry. The task which awaited the coming leaders of socialism was to divert the hopes and ambitions of the working classes

into the latter channel, to arouse the contented and persuade the discontented that here or nowhere was salvation.

In this attempt to unite the socialist ideal and the labor movement, Marx played the foremost part.[1] Of the revolutionary spirits of his day, none surpassed him in dynamic energy or resolute fidelity, none equaled him in the grasp of social tendencies or the strength and coherence of conviction. His analysis of past and present revealed the whole world process as unceasing class struggle. In the future, as in the past, progress must come through the efforts of the oppressed class to secure the dominance to which the changing industrial conditions predestined it.

Predestined? It is difficult to discover how far Marx and his followers were fatalists, Calvinists minus God, and how far confident of their power to mould fate. A deep consciousness of the blind inevitableness of economic evolution, and of the folly of attempting to alter one least scene in the drama of the rise and fall of capitalism, alternated with the combative instinct of strong-willed men to assert their personalities and come to grips with fortune. It is perhaps possible to find average consistency in the Marxian attitude. The economic revolution of course must be held inevitable: no conscious effort would materially hinder or materially advance the concentration of industry in huge establishments, the centralization of wealth in ever fewer hands, the sinking of the workers to ever lower depths of misery and degradation, the recurrence of crises in ever more serious forms. This did not mean that the proletariat were to play a passive part, waiting "until some fine day the roast pigeons of the social revolution would fly into their mouths." [2] They might trust in dialectic, but

[1] "By a crowning application of the Hegelian method, Marx united the Idea and the Fact. . . . He brought the Socialist thought into proletarian life, and proletarian life into Socialist thought." — Jaurès, *Studies in Socialism*, p. 133.

[2] Kautsky, *Das Erfurter Programm*, p. 106.

none the less must keep their powder dry, fighting with fate, not against it. They had stern work to do, organizing and disciplining their forces, that in the fullness of time they might strike for freedom, strike to bring the form of industrial society into harmony with its changed content. Until the economic evolution had run its course, proletarian revolt was premature and doomed to failure; when that course was run, revolt was necessary and predestined to success. The lines were not to be changed, but the actors might be trained better or worse. The creed compelled passivity, except in organizing and preparing, until the dawn of revolution broke; then action sharp, determined, ruthless, gigantic.

Assuming the time ripe for aggressive action, what form should that action take? Should the struggle for mastery be made on the field of battle, on the floor of parliament, or in the workshop? In the time and temper of the founders of modern socialism but one answer was possible. The class war was interpreted literally. "Force," declared Marx, "is the midwife of every old society pregnant with the new." In the heroic days of the modern socialist movement the leading spirits looked to a trial of strength on the field of battle. The bourgeois revolutions formed the model for the proletarian. Particularly in Paris the tradition of the glorious days of '89 and of '93 still lived. Babeuf's fellow conspirator, Buonarroti, handed on the torch to Blanqui and to Marx. Secret societies of the Carbonari type kept up a feverish, if flickering, subterranean activity, preparing sounding manifestoes and drafting the programme for the day after the Great Revolution. The Communist League, the secret society for which Marx and Engels drafted the famous "Com. unist Manifesto," was the successor of Weitling's Federation of the Just and Schuster's Federation of the Banished. From France the ramifications spread throughout Europe, and particularly through feudal Germany. In England sanguine socialist

observers expected to see the proletarian discontent which had manifested itself in Luddite riots, Sheffield explosions and bitterly contested strikes, and had culminated in the Chartist agitation, blindly felt to involve the "knife and fork question," lead to fierce and bloody civil war.[1]

Writing late in 1847, Marx was of the opinion that wherever the industrial classes as a whole had not carried the day against absolute monarchy and feudal squirearchy, the proletarian revolt could come only as an appendix to the final bourgeois upheaval. He advocated a continuance and an extension of the tactics of 1793 and of 1830, fighting side by side with the middle classes till victory dawned, then turning upon them in an attempt to snatch the fruits of victory.[2] The "Manifesto" was not off the press when the first of the series of revolts began which were to shake nearly every capital in Europe, and put terror in the hearts of kings.[3] At once the members of the Communist League

[1] "Prophecy is nowhere so easy as in England, where all the component parts of society are clearly defined and sharply separated. . . . The proletarians, driven to despair, will seize the torch which Stephens has reached to them; the vengeance of the people will come down with a wrath of which the rage of 1793 gives no true idea. The war of the poor against the rich will be the bloodiest ever waged. . . . It is too late for a peaceful solution. The classes are divided more and more sharply, the spirit of resistance penetrates the workers, the bitterness intensifies, the guerilla skirmishes become concentrated in more important battles, and soon a slight impulse will suffice to set the avalanche in motion. Then, indeed, will the war-cry resound through the land: 'War to the palaces, peace to the cottages,' but then it will be too late for the rich to beware." — Engels, *Condition of the Working-Class in England in 1844*, pp. 296–298.

[2] *Communist Manifesto*, p. 63. Cf. Jaurès, *op. cit.*, p. 136.

[3] Cf. *Letters of Queen Victoria*, 1837–1861. King Frederick William IV of Prussia to Queen Victoria, Feb. 27, 1848: "Most Gracious Queen and Sister . . . God has permitted events which decisively threaten the peace of Europe. . . . If the revolutionary party carry out its programme, 'the sovereignty of the people,' my minor crown will be broken, no less certainly than the mighty crowns of your Majesty, and a fearful scourge will be laid upon the nations: a century of rebellion, of lawlessness, of godlessness. . . . On both knees I adjure you, use for the

put their preaching into practice, joining the democratic forces and urging them to more radical action; Marx, calling upon the people of the Rhenish provinces to revolt, through the columns of the *Neue Rheinische Zeitung*, Born leading the Dresden uprising, Engels serving as adjutant in Willich's volunteers, Liebknecht a bombardier in Becker's battery, Lassalle fomenting resistance at Düsseldorf, took their manful part in the struggle. But nowhere in Germany, nor in Austria, Hungary nor Italy, was even the first stage to victory attained: after brief panic the forces of reaction conquered, and the defeated communists who had called on the proletarians of the world to unite and offered themselves as leaders in the reorganization and control of industrial Europe, split into jealous and warring camps, one petty faction denouncing and betraying the other to the police.

In France fortune for a time was more propitious. Louis Philippe and the régime of privilege and corruption for which he stood were overthrown with unexpected ease. The extreme Left took a leading part in the demonstrations which overthrew the old government and claimed and won recognition in the policy and personnel of the new. The right to work was formally proclaimed, and under Louis Blanc and Albert, the workingman member of the provincial administration, a system of national workshops was instituted. The demands of Cabet and Blanqui and Raspail for more thoroughgoing communistic measures

welfare of Europe, 'Engellands England.' With these words I fall at your Majesty's feet." — ii, p. 177.

Queen Victoria to King of the Belgians July 11, 1848: "When one thinks of one's children, their education, their future, — and prays for them, — I always think and say to myself, 'Let them grow up fit for whatever station they may be placed in, high or low.' . . . Altogether one's disposition is so changed — bores and trifles which one would have complained of bitterly a few months ago, one looks upon as good things and quite a blessing — provided one can keep one's position in quiet." — ii, p. 217.

brought reaction, the exclusion of the socialists from the government, counter-conspiracy, the closing-down of the workshops, bloody fighting which left thousands dead in street and barricade, and finally, panic and reaction which swung the pendulum past republicanism to the pinch-beck imperialism of the third Napoleon.[1]

The failure of force did not at once disillusion the socialist leaders. At most in Marx's eyes it proved that the economic conditions were not yet ripe for the assumption of power by the proletariat, the bourgeoisie not yet played out. It did not prove that force would fail when the economic hour had struck. Yet slowly the faith in appeal to arms grew weak. The advancing prosperity of Europe, in which the working classes shared, lessened the thirst for barricade heroics. The advance of military science gave the professional soldier ever greater advantage over the

[1] The failure of the National Workshops is sometimes attributed to the desire of some of Blanc's colleagues to discredit his proposals (see, however, Strachey, *Problems and Perils of Socialism*, p. 125). This plea cannot be advanced to excuse the failure of Blanc's organization of the tailoring trade at the Hôtel Clichy. Walter Bagehot's contemporary account is of interest: "This experiment began with peculiar advantages. The government made the building suitable for the purpose, without rent or charge, furnished the capital, without interest, and gave an order for twenty-five thousand suits for the National Guard. . . . Eleven francs per day was the contract price [ordinarily charged by the master tailors of Paris], including the profit of the master tailor, the remuneration for his workshops and tools, and for the interest of his capital. The government agreed to give the organized tailors at the Hôtel Clichy the same price . . . and to advance every day two francs for each man as subsistence money; when the contract was completed the balance should be paid, and equally divided among the men. . . . The accounts were squared. Eleven francs per dress, for so many dresses, came to so much. The subsistence money, at two francs a day, had to be deducted. The balance was to be divided as profit. Alas, it was a balance of loss, not of gain. Subsistence money had been paid equal to rather more, when it came to be calculated, than sixteen francs for each dress, in place of eleven, at which the master tailor would have made a profit, paid his rent, the interest of his capital, and good wages to his men, in place of a daily pittance for bare subsistence. . . . Louis Blanc is not a match for the master tailors of Paris." — *The Economist*, May 20, 1848, p. 562.

amateur revolutionist. The experiences of the Commune revealed the strength and the solid conservatism of the rural population whom the socialists had left out of their reckoning. The gradual extension of the franchise opened up easier paths to victory. The growth of the concept of evolution put violent and cataclysmic changes out of court — just as the current mutation theories, with their recognition of the sudden "explosion" of new species, have afforded color for the revival of the catastrophic social doctrine. The traditions of 1830 and 1848 died with the men who had taken active part. The old watchwords long survived in the outbursts of the old guard, Liebknecht declaring in 1874 that socialism is simply a question of force, which cannot be solved in parliament, but in the street and on the field of battle and there alone,[1] Marx in the following year still looking forward, in true Blanqui spirit, to the revolutionary dictatorship of the proletariat, and in the year of Marx's death the Congress of Zürich reiterating that force alone could bring about the Revolution. But more and more, except in countries like Russia where autocracy's reliance on force prompted the use of force in return, the tactics of open revolution ceased to have practical weight, and survived chiefly in rhetorical antitheses between ballot and bullet designed to send chills up bourgeois spines. Engels himself was compelled to recognize the new situation, and in his political testament in 1895 he completely and almost fiercely renounced the doctrine he once had preached and practiced.[2]

The emphasis shifts to economic and political action. The next great landmark in the development of the socialist movement was the founding of the International Workingmen's Association. Established in London in 1864, largely on French initiative, it was nominally a union of

[1] *Ueber die politische Stellung der Sozialdemokratie, insbesondere mit Bezug auf den Reichstag.*

[2] Preface to Marx's *Class War in France*, 1895.

the class-conscious workingmen of Europ and America, organized on trade-union lines. As a matter of fact its heterogeneous ranks included hard-headed English trade unionists, chiefly interested in putting an end to the competition of foreign underpaid labor and the intervention of foreign blacklegs in strikes, Russian nihilists, Polish revolutionists and Italian nationalists, French Proudhonists looking to the mutualization of credit, Blanquist terrorists, and German Social-Democrats. The conflict of views within its ranks prevented the development of any clear-cut and consistent policy. The organization of the proletariat in political parties was a cardinal principle of the International, but little actual progress was made in this direction.[1] The first task was to rouse the workingmen to a sense of their wrongs, and the discontent thus stirred was turned rather into economic than political channels, ranging from coöperative production and credit proposals to the advocacy of the general strike. The active work of the International consisted chiefly in the organization and support of a few strikes, the establishment of some short-lived press-organs, and the circulation of revolutionary pamphlets. Without financial resources, torn asunder by doctrinal and racial and personal differences, it was in reality a feeble force, but by its energy in holding congresses and passing resolutions it profoundly impressed Europe with a sense of impending revolution. In the congresses of Geneva, Lausanne, Brussels, and Basle the more radical elements gradually gained the upper hand and from resolutions in favor of shorter hours, reform in taxation, and the organization of credit banks and coöperative societies, the International advanced to demands for the nationaliza-

[1] "... that the International had proclaimed the necessity of political struggles, but this was only in theory. In practice, in organization, political struggles were something new, and organization as a political party, in some countries where the working classes had often been ruined, was viewed with mistrust." — G. Jaeckh, *The International*, translated in Bibliothèque, p. 115.

tion, first of mines and railways and later of all the land. The sanction given by the General Council to the Paris Commune, for which, however, it had little direct responsibility, cost the allegiance of the wavering English unions, and the crushing of the rising extinguished for a time the radical French labor movement. Finally, personal dissensions came to a head and wrecked what was left of the International. Marx, who had conquered the Mazzini and Proudhon elements, could not quell the revolt of the Russian extremist, Bakunin, except by a virtual dissolution of the organization. The difference between the two men was not, as some recent socialist writers claim, eager with growing respectability to disavow their poor relations, the difference between a collectivist advocating political action and conquest of state powers and an anarchist advocating propaganda by dynamite. The doctrinal differences were not at this time so serious as the racial and temperamental differences, and the disputes as to the internal organization of the Association. The genius for laying bare the shady side of men and systems and for attributing evil motives on the slightest colorable grounds, which made Marx so effective a force as critic and agitator, unfitted him for constructive effort or for permanent coöperation with his fellows. With the passing of the International his direct participation in the organization of the socialist forces ceased, though until his death he continued by personal intercourse and voluminous correspondence to advise and inspire the leaders of the European movement.

The fiasco of the International had shown the futility, at that early stage, of a Europe-wide organization, doomed by the heterogeneity of the elements comprised and the diversity of conditions faced, to sterile declamation and feeble and desultory action. The International had stimulated discontent, had called forth leaders, and had provided an arena for the clash of conflicting theories, from

which Marxism had emerged as the most thoroughgoing and scientific of the creeds contending for proletarian favor. The time had come for movements primarily national, working in fields not too great for coherent organization and varying in type with the varying conditions faced. It is not possible within the limits here set to follow in detail the development of the socialist movement in Europe and America. All that can be done is to set forth briefly the outstanding features and tendencies of socialism in the countries where the movement has attained most importance and significance.

Easily first among these countries is Germany. German socialism is distinguished by its primacy in the field, by its predominatingly political character, by the success achieved in agitation, and by the clear-cut, scientific principles on which it has been based. It is equally significant in the record it presents of gradual but far-reaching evolution in tactics and aims.

The German working-class movement from the outset was political. The programme of force found few adherents. The solid battalions of the Prussian and Austrian autocracies made an appeal to arms futile unless in mass; and the German people, with little of the genius for revolution of their Latin neighbors, were not easily to be roused to open rupture with the powers ordained. Economic organization lagged. The trade unions, hampered by a more backward industrial development, by gild survivals and repressive laws, were half a century behind the British movement. Coöperation was in its infancy in the sixties. Producers' coöperation was enthusiastically advocated by the Lassalle wing of socialists, but only on the basis of state aid to be forced by political success. Consumers' coöperation was fated to score more substantial success, but it was discounted by its Liberal sponsorship and by the prevalent belief in what Lassalle termed the

iron law of wages, that Malthusian-Ricardian bogey which warned off all projects to decrease the cost of living. The personal factor made for political action, through the influence of Ferdinand Lassalle, that other brilliant Jew who shares with Marx the honor of founding the German movement. He was passionately convinced, in opposition to the laissez-faire principles of his Liberal antagonists and the anarchistic leanings of many of his socialist friends, that the state was to play a great creative rôle in the future, transforming capitalism and freeing the workers from their industrial and political bondage. It was, then, the primary duty of the proletariat to gain control of this mighty engine, and to use it to secure their economic dominance. Finally, the sweeping grant of universal suffrage, in the North German Confederation in 1867 and in the German Empire four years later, opened at a stroke the path to power. It had come, not because of democratic and socialist pressure, but from Bismarck's desire to play off working class against middle class, and from his more statesmanlike ambition to stimulate a common imperial sentiment among the whole people, submerging local patriotism and prejudice. Whatever the motive, it had come, and its coming made it certain that the struggle of the working class for bettered conditions would be made in the political field, where their strength was relatively greatest.

The success of the German movement has been unparalleled in so far as numbers, disciplined unity, and thorough organization constitute success. The primary condition of success lay in the existence of grievances clamoring for redress. In length and arduousness of toil and in meagreness of reward the German workman was worse off than his English cousin, even though the special evils of a transition to a capitalist economy were not permitted, in the warning light of experience, to develop to such a degree. In the political field, with Germany still

half feudal, still, in a socialist phrase, half Asiatic, the comparison was even more unfavorable. When, however, the social unrest of the century began to stir the German workingman, and he turned to politics for help, he found little promise of democratic fellowship in the parties that held, or were to hold, the field. Conservative and Agrarian were hopelessly antagonistic to an urban proletariat — and in a country where Tory Democracy was the prerogative of the Crown. The Centre or Catholic party, with characteristic opportunism, bid for the workingman's vote, not without some success but its confessional restrictions and peasant majority barred it from ever becoming the party of the proletariat. The Liberal party, representing the manufacturing and commercial classes, bettered its English model in its hopelessly rigid Manchesterism; the unfortunate group system of Continental politics, isolating and accentuating every special interest, has prevented the gradual compromise and permeation of the bi-pa. .y system which has developed the British Liberals from Whiggery to Democracy. The Radicals, the most formidable rivals of the Socialists, were handicapped by internal dissensions. The evangelical Christian Socialists, under Todt and Stöcker, were to make a strong appeal, but with little prospect of success, once it became clear that their socialism was paternalism and their Christianity largely anti-Semitism.

The field was open for the Social Democratic party. It was well equipped for the campaign. It offered a glittering promise of a New Jerusalem where the least should be the greatest. It was fortunate in leaders of outstanding ability and devotion; Marx, giving not always heeded counsel from his London retreat; Lassalle, whose task of organizing the workingmen in his Universal Workingmen's Association was but begun when the bullet of Count von Racowitza ended at once his political agitation and his matrimonial intrigues, but not his fascination for the

populace; Liebknecht and his convert Bebel, masters of persuasion and of strategy, bringing with them to socialism cohorts of South German workingmen and welding them into a single party along with the Lassallian faction; Singer the organizer; Kautsky the keeper of the faith — these and scores of younger men gave their lives to the cause. The party was unequaled in its thoroughgoing organization, in its strict yet flexible discipline, in its activity in propaganda, in its attempt through educational, dramatic, and social activities to provide within its own ranks scope for well-rounded development. Finally, the ill-advised attempt of Bismarck to stamp out disaffection by the anti-socialist laws, which from 1878 to 1890 made all socialist agitation whether in press or on platform illegal and thereby drove it underground, only increased the determination and the faith of the persecuted, and proved once more that the blood of the martyrs is the seed of the church.

The German Social Democratic party is significant, not only for its success, but, in its earlier years at least, for its revolutionary orthodoxy. This uncompromising attitude was the result both of its political environment and of the creed it had adopted. The rigid class divisions of Germany and especially of Prussia, and the comparatively rigid party lines which in large measure corresponded, made fusion with other forces difficult; the antagonism created by the anti-socialist laws long made it impossible. The system of personal government exerted important influence; the lack of cabinet responsibility increased the tendency of a radical party in Reichstag or Landtag to take the critical, negative attitude of a permanent and professional opposition, and prevented the sobering influence which would have come with even partial participation in power.

Nor would the creed to which the party was wedded permit the heresy of compromise. The official confession of faith of the German Social Democrats is contained in

the Erfurt Programme, adopted in 1891. It consists of two parts, a general summary of the tendencies of capitalist development and of the socialist remedy, and a detailed statement of immediate demands. The first part of the programme is a thoroughgoing exposition of the purest Marxism: the development of capitalist economy leading inevitably to the division of society into capitalist monopolists and propertyless proletarians, the consequent ever more bitter class struggle, the growing industrial reserve army, the increasing misery and degradation of the workers, the ever more devastating crises, the solution in collective ownership, wrought out by the working class unaided, fighting on the political field. Nothing could avert the onward march of capitalist development, nothing avert the crash of revolution, the victory of the proletariat, and the establishment of the collective commonwealth. Such a creed, we have seen, might not involve fatalistic apathy in its adherents, for their action, also, was fated. But it turned activity into the channel of preparation, of drilling troops for the conflict, "shaping this battle of the working class into a conscious and united effort and showing it its naturally necessary end,"[1] rather than into the channel of resistance to the degrading tendencies of economic evolution, the channel of attempts to remedy ills, to soften antagonisms and avert collision. It committed the socialist to the policy of governmental laissez-faire.

The logical deduction from this programme was that the political tactics of the party must be mainly negative. The aim was not to wield a share of power in the existing state, but to seize power to abolish the existing state. The more extreme opinion questioned the wisdom even of entering Parliament. Liebknecht feared Bismarck bearing gifts, and scorned universal suffrage within a class state, police and army ridden, with the reality of power still

[1] Erfurt Programme, in Ensor, *Modern Socialism*, p. 319.

gripped by an active monarch and his chancellor and by a reactionary upper house, as an utter sham, the plaything of absolutism, the basis of a new Cæsarism, the fig-leaf of tyranny.[1] Liebknecht's attack on parliamentary action rose to plague him twenty years later, when the Berlin "opposition" or "Jeunes," a section of the party with anti-parliamentary leanings, tending later to anarchism, turned his own bitterest phrases against the growing legality of the party. These opinions, however, have at no time received the support of the majority of the party.

More unanimous was the refusal to participate in the elections in those of the individual states of the empire which retained high property qualifications or the three-class suffrage. Given the division of the electors into three classes, equal, not in numbers but in the total of the direct taxes paid, with a handful of the rich in the first class, a larger number of the well-to-do in the second class, and the great majority of the electors in the third class, given open voting and the indirect system of election, whereby each of these classes chooses an equal number of secondary electors to make the actual choice, it is clear that a party appealing primarily to the working class would be powerless without alliance. Alliance was anathema, and so for years the socialists did not participate in the elections of Prussia and other states. It was not till the Congress of 1893 that the question of participation was even broached, only to be met with a resolute pronouncement for the orthodox tactics; success by independent efforts was impossible, it was declared, and success by compact with bourgeois parties would be dear bought by the demoralization and strife that would follow. But the heresy would not down. In 1897 a compromise was put through requiring participation but forbidding the compacts with

[1] Cf. *Ueber die politische Stellung der Sozialdemokratie, insbesondere mit Bezug auf den Reichstag*, 1869.

other parties which alone would make participation effective. Next year participation was left to the option of the local districts; the following congress, with much face-saving reaffirming of the class struggle and declarations that it cherished no illusions as to the character of the bourgeois parties, nevertheless resolved not to refuse in specific cases to coöperate with the more progressive parties in order to ward off reactionary proposals, or to better the social conditions of the working classes, or to increase the party strength; and finally, in 1900, a resolution forbidding alliances was rejected and participation made compulsory.[1] The political "cow-trading," as Singer scornfully called it, thus sanctioned, has gone on apace, as the party has grown more absorbed in the political game; bargains are made for support at the polls wherever support is for exchange, here from the Radical, there from the Liberal, even from the Clerical: *non olet.*

In parliament, the socialist representative must not be of it: he must be a critic of the comedy, not an actor in it. Nothing should be done to imply acquiescence in the established order. The logical demand of Liebknecht, in his radical days, that the socialist members should enter the Reichstag only to read a revolutionary protest and then withdraw, proved too extreme a deduction for acceptance. The prevailing theory in the early years was that the socialist members should "speak through the windows" to the masses without. The resolutions adopted by the Stuttgart Congress in 1870, as a compromise between the conflicting views of Liebknecht and Bebel, sanctioned parliamentary activity for purposes of agitation, admitted tentatively that action might be taken to advance the interests of the working classes, but held that on the whole a negative, critical attitude was to be maintained, directed

[1] *Protokoll über die Verhandlungen des Parteitages des sozialdemokratischen Partei Deutschlands*, Mainz, 1900, where on p. 213 previous positions are conveniently summarized.

toward unmasking the shams of bourgeois parliamentary government. Typical of the gradual advance toward constructive work are the declarations of the Coburg Congress in 1874, that participation should be essentially for propaganda, and the St. Gall resolution in 1887, that agitation should receive the emphasis. The growing, if negative, recognition afforded to positive proposals scarcely kept pace with the action of the socialist deputies, and their parliamentary activities were made the subject of full-dress debates at Halle and Erfurt, in 1890 and 1891. In the Halle debate, where the chief opposition came from the revolutionary Berlin wing, the necessity for positive activity was declared in a resolution, adopted unanimously, calling on the Reichstag members to press the socialist demands on the opposing parties, but at the same time to strive for reforms possible within the framework of the existing society, without, however, cherishing any illusions as to the importance of such activity. In the following year, when the party leaders had to steer a middle course, "avoiding on the one hand the bog of opportunism and on the other the follies of anarchism," [1] more verbal sanction is given the negative view.[2] Ever since that congress, however, positive participation in parliamentary labors has become more and more the accepted practice, even

[1] Liebknecht, *Protokoll*, Erfurt, p. 210.

[2] Cf. the reversed rôles of Bebel and Liebknecht. Bebel, *ibid.*, p. 174: "The chief aim in our parliamentary activity is to enlighten the masses concerning our opponents, and not the consideration whether any demand will be attained or not. It is from this standpoint that we have always made our proposals. . . . We have steadily taken the stand that the question is not whether this or that will be granted; for us the main thing is that we make demands no other party can make." Liebknecht, *ibid.*, p. 206: "We have practical work to do in the Reichstag. . . . How have we attained our power in Germany? Simply because from the beginning, instead of saying 'we live in cuckooland and care nothing about practical things,' everywhere we made our way into the municipalities, the Landtags and the Reichstag, on practice bent, and used every weapon that we had, for the weal of the working classes."

though views have differed as to the permissibility of specific measures. Socialists take, as a matter of course, a useful part in the work of committees, frequently as reporter or chairman, they accept the honor of the vice-presidency of the Landtag, they make the court visit this station in life demands, — not without protest from the outraged radicals, — and, it is alleged, have even kissed the Frau Minister's hand.[1]

One problem of parliamentary tactics remains unsettled, and has given rise of late years to bitter and prolonged debate. It has been considered as of sacramental importance, a symbol of the rejection of the class state, to vote against the budget, even though including many grants of which the socialists approve. In the Reichstag, where the expenditure voted is mainly for military purposes, there has been no hesitation. In several of the Landtags, however, especially in the South, where class antagonisms are less sharp than in the North, and where more liberal suffrage laws permit greater socialist influence, the members of the party have on several occasions voted for budgets containing grants which they had urged or representing a lesser evil than alternative proposals. These lapses from grace have been debated at length in three party congresses, at Frankfort in 1891, in Lübeck in 1901, and at Nürnberg in 1908: in the latter year as formerly the action was condemned by a majority vote, but it is significant of the growing discontent, especially in the South, with the official irreconcilability, that throughout the discussion the policy of opportunism was defended with a frankness and vigor never before equaled, and that at the close of the debate sixty-six delegates from Bavaria, Baden, Würtemburg, and Hesse formally declared their intention of being guided in the matter by their own state organizations rather than by the national congress.[2] The halt at

[1] *Protokoll*, Nürnberg, 1908, p. 294.

[2] *Ibid.*, p. 426.

this lowest stage on the slippery slope of parliamentary compromise will not be final.[1]

The evolution of the party from the barren negation of millennial hopes to the positive striving to meet present needs is even more unmistakable when we turn from the forms to the ends of political action. What constructive tasks could a Marxian party advocate in the existing state? The authoritative answer is given in the second part of the Erfurt Programme containing the immediate demands of the party. Now the significant feature of this second part is that in spite of its preamble, "Setting out from these principles, the Social Democratic party of Germany demands immediately, etc.," it is not only not a deduction from the preceding principles but in flat contradiction to them. It contains a series of proposals, some of them socialistic in tendency, the majority merely the commonplaces of radicalism, proposals wise or unwise it may be, but the inevitable effect of which if successful would be to arrest the tendencies making for proletarian degradation and industrial chaos, and postpone the Social Revolution to the Greek Kalends.[2]

Take, for example, the central issue of the betterment here and now of the lot of the working classes, whether

[1] After refraining from voting the budget for two years, the Baden socialists supported the government in this crucial test in 1910. Their action was made the main subject of the Congress of Magdeburg; the strength of the reformist forces led at first to compromise, but the frank declaration of the Baden leaders that they would give no pledges for the future led the radical majority to reopen the question and to pass a resolution excluding from the party all who should vote for the budget in the future; the offenders of the present were left unscathed.

[2] "After the Erfurter programme has sketched the inevitable development towards a future catastrophe, after the official party catechism has declared that a real radical betterment, not merely a surface improvement, is to be attained only through an out-and-out overthrow of the existing property and industrial relations, after all this the comprehensive second part of the programme does nothing else than block the desirable development by the much-scorned quackery of liberal and democratic social reforms." — Brunhuber, *Das heutige Sozialdemokratie*, p. 155.

by trade-union action, coöperative self-help, or by legislation such as is proposed in the second part of the Erfurt Programme, — abolition of the truck system, prohibition of child labor, the attainment of the eight-hour day, the extension of state insurance. To the believer in the iron law of wages of Lassalle or in Marx's vision of the capitalist system inevitably and remorselessly grinding out surplus value and flinging ever more of the hapless workers into the industrial reserve army, no reform which left the control of industry in capitalist hands could be more than a trifling palliative, a mere patchwork tinkering at the shingles on the roof while the foundations were rotting to destruction. It was not only hopeless, it was dangerous, lulling the workers into a false content, weaning them away from the stern path of revolution. And it was worse than hopeless or dangerous, it was superfluous, for already the dawn of the new day was breaking: patience and sacrifice yet a little, and the proletarian hosts would enter the promised land. "Bourgeois society," declared Bebel in his great speech on party tactics at Erfurt, "is working so mightily towards its own downfall that we only need to wait the moment when we shall have to take up the power falling from its hands. Yes, I am convinced the realization of our ultimate goal is so near that there are few in this hall who will not live to see the day." [1]

Few revolutionaries went to the extreme of out-and-out opposition to betterment. Reforms were permissible, it was held, in so far as they increased the fighting force of the working class and did not involve either in their attainment or in their working any reconciliation with the governing classes.[2] In practice, however, it is rather dif-

[1] *Protokoll*, Erfurt, p. 172.

[2] Bebel, *ibid.*, p. 273: "We must declare with the utmost emphasis that no positive advantage whatever can have any other end than making the party better equipped for the fray, to reach the great undivided goal the quicker and the more eagerly."

ficult to discern the psychological point at which betterments produce the maximum of increase in the ability to fight without involving a slackening in the will to fight. The trade union was encouraged, rather patronizingly, chiefly as a recruiting-ground for party forces and as a means of keeping the class spirit alive in strike and strife. But it was maintained that the scope for trade-union action was after all limited, encroached upon both by state activity and by capitalist combination, so that its rôle must be of less importance than the political action of the party. Consumers' coöperation, the most successful form, was scornfully rejected by Lassalle as powerless in any degree to better the condition of the worker; and by Marx as being a mere scratching of the economic surface. More countenance was afforded producers' coöperation, which was in fact the corner-stone of Lassalle's system, but cantankerously this form of industrial organization has failed to achieve much success.[1] Legislation to improve the working conditions met with more favor, though deprecated by the radical wing as only incidental to the movement,[2] or shamefacedly defended as necessary bait.

[1] The negative attitude of the party is well summarized in the resolution of the Congress of Berlin, 1892: "The party cannot approve the establishment of coöperative societies, except when designed to provide a living for comrades injured in the political or union struggle, or when serviceable for propaganda. . . . If these different conditions are not present, the comrades of the party should oppose the establishment of coöperative societies; they should especially combat the opinion that the coöperatives are able to affect the conditions of capitalist production, to raise the condition of the working classes, or even to attenuate the class struggle of the workers in the political and trade-union field."—*Protokoll*, p. 220.

[2] Bebel, at Erfurt: "Hitherto we have steadfastly declared we are going to bring in the social democratic society to take the place of the existing bourgeois society and its political superstructure, the existing state. To this end we seek to capture all weapons and advantages which may help us in the fight for that goal. The goal in its entirety is the main thing, and the rest incidental. How far we have come towards securing certain concessions, in the moment when we believe we are about to grasp the whole, that is a matter of secondary concern."—*Protokoll*, p. 274.

The logic of events has been too much for the logic of Marxism. Steadily the party has been forced in the direction of laying more stress on the immediate reforms, and letting the goal recede more and more into the mists of the future. The unsuspected vitality of capitalism, its adaptability to new conditions, has compelled the abandonment of tactics natural when its speedy surrender to collectivism was fondly hoped. Growing recognition of the unsoundness of much of the Marxian theory makes in the same direction. But the chief factor in the change has been the necessity of attracting and holding the masses of the workers by active championing of their present needs. The proletariat, untaught in the mysteries of Hegelian dialectic, has evidenced a crude objection to playing the rôle sketched in the party programme, of "growing augmentation of the insecurity of their existence, of misery, oppression, enslavement, debasement, and exploitation." It cannot be persuaded, once it has been roused to its wrongs and to its power, to sit with folded hands while the slow evolution of the ages works out the salvation of the coming time. Lassalle once declared that workingmen were no longer to be put off with checks on the Bank of Heaven; neither, it appears, are they content with checks on the Bank of the future Social Democratic State. The trade unions, weak and subordinate in early days, have falsified all forecasts by surpassing the English unions in numbers and unified organization, and by approaching them closely in financial strength and in stress on mutual insurance. While the free unions — as opposed to the more conservative Christian, Independent, and Hirsch-Duncker organizations — which contain the majority of German unionists, have always been a source of strength to the party and intimately connected with it, they have in their new might insisted on the equal importance of economic action and on the necessity of directing the power of the party more and more to the attainment of immediate

reforms.[1] The closer relations with the coöperative movement, consequent on the recent influx of thousands of party members into the once scorned consumers' coöperative societies, is profoundly influencing not only the cooperative but also the socialist movement. In the field of social legislation, the abandonment in 1903 of the earlier attitude of voting against the compulsory workingmen's insurance laws on the plea that they did not go far enough, without any radical change meantime in the legislation itself, is significant of the same tendency. In all directions as the "judgment day" forecast of capitalism is disproved by fact, the tendency is to accept the existing order, to strive to socialize it as it stands, to secure for the working class benefits here and now, step by step.[2]

The failure of the Marxian forecast involves further tactical consequences. The middle classes, the small shopkeepers, the small farmers, have not disappeared. The industrial working classes are still only a minority of the whole population. If political power is to be won, and German socialists are now fervent parliamentarians, allies must be sought elsewhere, especially among the peasants. But to the German peasant of the South or West, stubbornly attached to his hereditary acres, the socialist pro-

[1] Cf. *Sisyphusarbeit oder positive Erfolge*, Berlin, Generalkommission der Gewerkschaften; a reply, by the editors of the *Correspondenzblatt*, the official trade-union organ, to Kautsky's *Der Weg zur Macht*.

[2] Indirectly the socialists can claim a share of the credit for the establishment of the workingmen's insurance legislation in which Germany has led the world. Cf. the statement of Bismarck in the Reichstag, Nov. 26, 1884: "If there were no Social Democrats, and if there were not great numbers in fear of them, even the moderate advances which we have hitherto been able to make toward social reform would have been impossible"; and the introductory passage of the Imperial Message placing the bill for insurance against accidents before the Reichstag, Nov. 17, 1881: "We have already given expression to our conviction that the healing of social wounds is to be sought not solely in the repression of Social Democratic agitation, but equally in positive provision for the welfare of the worker." — Schippel, *Sozialdemokratisches Reichstags-handbuch*, pp. 107, 117.

gramme of the inevitable crushing-out of the small farm by the large estate offers little attraction. If his vote is to be won the socialist party must meet the agrarian party's bribe of tariff protection.[1] Following the lead of the opportunist South German agricultural states, the national Congress of Frankfort in 1894 appointed a commission to draw up an agrarian programme. The suggestions submitted at Breslau the following year included extension of the national and municipal domain and a fair rent commission, state assumption of mortgages, state insurance, cheap state loans to the peasants, extension of state credit to associations for improving the soil. In spite of the support of Bebel and Liebknecht, the report was roundly condemned by the rank and file as quackery, as a flouting of the party programme, a flying in the face of economic destiny, an impossible and unworthy attempt to compete with the agrarian and anti-Semite parties on their own ground: some of the paragraphs of the commission's report were shown by Schippel to be borrowed word for word from a proposal of an ultra-reactionary Austrian minister of state. Why worry about the peasant's debts and his failing crops or falling prices? "The interest of the party demands that the peasants fall into the proletariat, however unpleasant the proceeding may be for them." Since Marx has demonstrated that by the inevitable working of capitalist evolution the destiny of the peasant is to climb down rung after rung of the ladder of wretchedness, why give him artificial aid to hold him up?[2] Yet the victory of

[1] "Without and against the good will of the rural population in a land like Germany, it is impossible to bring about a thoroughgoing social and political revolution. . . . The peasant will not be content either with empty criticism or with pointing to the future; like the workingman, he demands positive aids to the betterment of his conditions here and now." — Von Vollmar, *Protokoll*, Frankfort, 1894, pp. 149, 150.

[2] The amendment adopted by the congress by a vote of three to one ran: "The draft for an agrarian programme submitted by the agrarian commission should be rejected. This programme gives the peasant cause

the revolutionary wing has not proved lasting. While the party has never formally reversed the Breslau decision, the tendency has been to lay more and more stress on "peasant-fishing." The need of votes — the party must go forward or go back — the example of socialist parties elsewhere, the growing conviction that the transition to the better society of the future must begin now and not after a judgment day collapse, make it necessary to champion the cause of all classes with grievances to heal, whether peasant or shopkeeper or small officeholder.

While the German Social Democratic party is still in the main composed of working-class members, it has failed to maintain its purely proletarian class-struggle character. The party which declares in its programme that the emancipation of mankind from capitalism must be the work of the working classes alone, sends to parliament among its leaders "solicitors, authors, millionaires, merchants, university lecturers and capitalists." [1] The rank and file, it has been conclusively shown, include over half a million voters from other than proletarian strata.[2] The party has in fact become the medium by which discontent in any quarter with the political or economic situation may most effectively be expressed. Its practical activity is directed more and more towards protesting against the Hohenzollern-Junker-Bureaucratic dominance, toward demands for democratic reform.

to hope for the betterment of his condition, and the buttressing of his private property; it implies that the cultivation of the soil under the existing social order is a matter concerning the proletariat, whereas the cultivation of the soil as well as the interests of industry, under the régime of private property in the means of production, are interests of the proprietors of the means of production, of the exploiters of the proletariat. Further, the draft of the agrarian programme confers new powers on the class state and thereby increases the difficulties of the class struggle of the proletariat; and finally the project lays on the capitalist state duties which can only be accomplished by a state in which the proletariat has conquered political power." — *Protokoll*, Breslau, p. 104.

[1] Brunhuber, *op. cit.*, p. 149. [2] *Archiv für Sozialwissenschaft*, xx, p. 507.

Consider any current election manifesto, the report of the Reichstag fraction to the annual congress, or those sections of the second part of the Erfurt Programme to which reference has not already been made. There is little which is not to-day advocated by radical parties elsewhere. Take the political demands. Proportional representation may be urged by a scattered minority of any hue, socialist or anti-socialist. The opposition offered to the personal government of Kaiser and Chancellor commends itself to all adherents of party government and cabinet responsibility. The demand for two-year parliaments may be unwise, but it is an institution which has prevailed for over a century in the popular House in the United States. The referendum and initiative, expedients serviceable, if anywhere, in countries lacking cabinet government, are advocated not only by radicals but by conservatives of the English *Spectator* type, who imagine that the voice of the people when heard clear and unconfused will make for moderation. Compulsory primary education meets little opposition; whether it should be secular depends on one's theological rather than on one's economic views; and many will grant that it should be free who will find no overwhelming need for the free legal and medical aid next demanded. Criminal appeal, indemnification of persons wrongly prosecuted, popular election of judges, these are proposals which have little connection with the collectivist commonwealth, and the advocacy of the abolition of capital punishment must be set down to an unlucky verbal ambiguity or to a survival of Utopian humanitarianism.[1] Graduated income, property and inheritance taxes, while frequently dubbed socialistic by men unwilling to bear their share of the state's burdens, are not so in essence, though they might be in extreme application. The opposition to

[1] "This demand is a dictate of reason and humanity and therefore a demand of the Social Democracy." — "Ziele und Wege," ed. Braun, p. 30.

protection, and especially to food taxes, which has helped and will continue to help the party with the millions of consumers groaning under the agrarian yoke, may be in line with the interests of the masses; it is, however, as open to the protectionist as to the freetrader to quote the sanction of socialist principles for his policy.[1]

To pass to another much debated point. Religion, the Erfurt Programme declares, is a private matter, consequently all state contributions to church purposes are to be abolished, and public education secularized. The attitude of the party to religion has been a matter of long debate. On the face of it there seems no reason why a believer in the collective ownership of the means of production should not also be a believer in Christianity, or in Mohammedanism. Yet as a matter of fact in Europe organized socialism and organized Christianity have long been at daggers drawn. The opposition of the churches, especially the Catholic Church, is due not merely to the theoretical opposition of believers in private property and the practical opposition of holders of private property, nor to the special concern with the justice which socialist expropriation would flout, but to the unwillingness to accept as satisfactory a "neutrality" which even if observed has as its corollaries abolition of state aid to ecclesiastical purposes and of ecclesiastical control of schools. The Marxian socialist, on the other hand, believes that the churches have used their influence to benumb the masses into content. His radicalism in one sphere makes ready the ground for the radicalism current in another sphere, just as the vegetarian is more apt than other men to be an anti-vaccinationist or New Thought adherent. He is a believer in a materialistic interpretation of history and life which leads to estimating religion in terms of economics. He is intimate with the anti-theological views of

[1] Cf. the very able Schippel-Kautsky debate, Stuttgart Congress, 1898, *Protokoll*, pp. 172–205.

the scientists whom he consults to buttress his theories of social evolution. There results therefore a disbelief in the dogmas and institutions of Christianity which finds expression in countless utterances, from Bebel's declaration in the Reichstag in 1881 that "in politics we profess republicanism, in economics socialism, in religion atheism," down to the latest Christmas parody in the *Vorwärts*.[1] At the same time tactical exigencies demand the cessation of active opposition if the suffrages of the Catholic workman and the Catholic peasant are to be won. "We must," declared the Catholic and opportunist von Vollmar, outlining an agrarian plan of campaign, "we must put the fine words of our programme into practice and maintain absolute neutrality. We must do away entirely with the equivocation of declaring that religion is a private matter and at the same time continuing the tactics of base and stupid priest-eating and beating on the drum of science which have done the party so much harm."[2] The equivocation still is manifest; the party officially protests neutrality, while the official publishing houses issue anti-religious pamphlets by the score.

One more subject may be mentioned which has always bulked large in the socialist discussion — the attitude to patriotism and to military and naval armaments. To the socialist of a generation ago patriotism was a bourgeois prejudice: the proletarian could have no country. The lines must be drawn horizontally between classes, not vertically between countries. Capitalist enterprise had made the world one common market; the working class of the world must make it one common battlefield. War, and the huge military and naval preparations of armed

[1] See manifold quotations in Cathrein, *Socialism*, translated by Gettlemann, pp. 204–223, and especially in Ming's *The Characteristics and the Religion of Modern Socialism*, a study from the Catholic standpoint written with more than the usual fairness and knowledge.

[2] Congress of Frankfort, 1894, *Protokoll*, p. 146.

peace, have been even more strongly opposed, not merely on humanitarian grounds, but because of the reactionary results of external warfare on internal politics, the unfair share of the burden and sacrifice of life that falls on the working class, the use of the army to overawe strikes, and the general support received by the capitalist state from the sword. The German Social Democracy is still honorably distinguished by its efforts to maintain international good will, but even on this point it has undergone a change. It may not be less international than before, but it is more national. Lassalle has conquered Marx. The German socialist, fatherlandless fellow though his Emperor has called him, has been infected by the exuberant patriotism of his fellow citizens. He is still on the extreme left of German sentiment, still opposed to naval expansion, and Weltpolitik,[1] but he is much more in sympathy with the ambitions of the rulers of the Fatherland than were the men of the last generation who gladly went to prison for their opposition to the Franco-Prussian War. Distinctions are made between defensive and aggressive warfare, between war with reactionary Russia and war with democratic France. Should we not so far abandon our attitude of no compromise with militarism as to vote supplies for the substitution of less conspicuous uniforms, and save thousands of proletarian lives in the next war? asked Bebel in 1890.[2] And for better guns? deduced Heine in his famous cannon speech in 1898. May not the existing army be modified, be developed into the democratic citizen-militia the programme demands? continued Schippel the same year, only to find, however, his party unwilling to be hurried at his pace and passing a condemnatory resolution.[3] The length the party has traveled from its starting-point was

[1] Cf. election address of German Social Democrats, 1907; in Ensor, p. 369.

[2] Congress of Halle, *Protokoll*, p. 104.

[3] Congress of Hanover, *Protokoll*, p. 68.

revealed in the International Congress at Stuttgart in 1907 by the strong hostility offered by the German leaders to the French programme of war on war.[1] It is true the dashing assaults of Hervé compelled the German representatives to agree to a resolution much more radical than any one anticipated, and that since the congress Karl Liebknecht and others have carried on a mild version of the Hervé campaign. Yet the strong current runs in the other direction. The heavy losses in representation suffered by the socialists in the khaki election of 1907 led to many fervent protestations of patriotism and readiness to shoulder a gun, "in defensive warfare." A speech made by Comrade Noske in the Reichstag was especially compromising; at the Congress of Essen, held a month after the International Congress of Stuttgart, it was sharply criticised by such unyielding radicals as Ledebour, Kautsky, Karl Liebknecht, Stadthagen, and Clara Zetkin, but, at Bebel's instance, the vote of censure was rejected by an overwhelming majority.[2] "The relative importance of the national and international ideals in German socialist professions," declares the most objective and clearsighted student of socialism, "has been reversed since the seventies."[3] And he continues, showing that this shift of attitude is all of a piece with the change on other points, "The Social Democrats have come to be German patriots first and socialists second, which comes to saying that they are a political party working for the maintenance of the existing order, with modifications. They are no longer a party of revolution, but of reform, though the measure of reform which they demand greatly exceeds the Hohenzollern limit of tolerance. They are now as much, if not more, in touch

[1] *Protokoll*, Stuttgart, pp. 64–70, 81–105.

[2] *Protokoll*, Essen, pp. 226–265; cf. Michels, "Le Patriotisme des socialistes allemands et le Congrès d'Essen," *Le mouvement socialiste*, no. 194, pp. 5–13.

[3] Veblen, *Quarterly Journal of Economics*, xxi, pp. 320–321.

with the ideas of English liberalism than with those of revolutionary Marxism."

This gradual movement toward acceptance of the existing order has not been shared in equal degree by all sections of the party. Each change in tactics, as has been indicated, has come as the result of vigorous conflict within the party. Revolutionary and reformist tendencies have been opposed from the outset, the personnel always shifting, the point at issue changing with the changing time, but the opposition never ceasing to exist. It would not be correct to say that the revolutionary wing laid stress only on the far goal and rejected all immediate betterments, and that the reformist wing lost sight of the goal in the preoccupation with nearest needs, but in greater or less degree differences of emphasis, approaching these extremes, mark the long debates over the party's tactics, and especially so since the close of the nineteenth century. From the Congress of Stuttgart in 1898 to the Congress of Dresden in 1903 the party was rent by controversy on questions of theory, by the struggle between the heterodox, led by Bernstein, and the orthodox, led by Kautsky, as to whether the Marxian forecast of capitalist development had been borne out by time. In the latter year the revisionist doctrines were overwhelmingly rejected; the party refused to make public confession of the abandonment of the creed it had so long defended.[1] The temporary success of the Russian revolutionists gave new life to the wing which rejected compromise; the Congress of Jena, in 1905, even coquetted with the general strike, so far as waged for political ends, but the Congress of Mannheim in the following year yielded to trade-union opinion and watered down the Jena resolution. In recent

[1] "It was in vain that Bernstein called upon the Social Democracy 'to dare to appear what it was in reality — a democratic, socialistic party of reform.' . . . Theories always have a more hardy life than tactics; they survive in the form of sterile and empty formulas, the facts which had given them birth." — Boris Kritchewsky, *Le mouvement socialiste*, no. 203, p. 287.

years reformist effort has been concentrated on practice rather than on theory: the controversies have turned on the betterment activities of trade union and coöperative, on electoral alliances and parliamentary coöperation with bourgeois parties, on voting for or against the budget. The revisionist theorists, the trade-union and coöperative leaders, the South German state leaders and the majority of the Reichstag deputies have acted in concert, though as yet, in spite of many gains, they have not been able to muster, in the party congresses, forces sufficient to outvote the radical rank and file, who have their chief fortresses in Saxony and Prussia.

The future of German Social Democracy appears to belong to the opportunist wing. The fundamental fact in the political situation is, that parliamentary victory means obtaining a popular majority, that this majority cannot be secured by the votes the socialists can hope to get from the urban working classes alone, and that the consequent necessity of securing, directly or by alliance, the support of other sections of the nation, must exercise a determining influence on the tactics and the programme of the party. Whether the party will maintain its attitude of trust in parliamentary action, as present appearances indicate, and, if it does, at what pace and with what haltings and backsets it will advance along the path of democratic reform, only the future can unshroud. Commercial depression at home or war abroad would make for revolutionary revival, prosperity and peace for reconcilement. The maintenance of the existing three-class suffrage in Prussia would keep Prussian socialism doctrinaire and uncompromising; a broad franchise, and the power that would follow it, would have on the socialists of the North the sobering effect they have had on the socialists of the South. The introduction of responsible government and the consequent greater coöperation between the different factions in the Reichstag would be even more effective in strengthening the reformist tendency.

Dissatisfaction with personal government by a Kaiser ruling by divine right has greatly stimulated the movement for cabinet government; the action of the "blue-black bloc" — the alliance of Conservative and Centre — in throwing the burden of new taxation on the shoulders least able to bear it has made the parties of the Left, the National Liberals, — especially the Young Liberal wing, who seek to restore German Liberalism to its historic democratic position, — the Radicals, now united, and the Social Democrats, realize their common danger and their common ground, and has made the suggestion of an alliance from Bassermann to Bebel seem more plausible than at any previous stage in Germany's development. An alliance between forces which for a generation have been so strongly opposed could be brought about only under great pressure, but some degree of coöperation with the parties of the Left for their common ends is evidently a necessity of the immediate future.

Every country gets the socialists it deserves, from the bomb-throwing revolutionaries of autocratic Russia to the gas-and-water Fabians of democratic Britain. For all his cosmopolitanism the socialist is unable to escape the moulding force of national environment. The French socialist movement, at one with the German development in many fundamental points, bears the mark of wide differences in historical antecedents and national temperament as well as in economic and political conditions.

The French socialist movement has been profoundly affected by the revolutionary tradition which is its heritage. The dramatic days of the overthrow of feudalism, the barricades of '48, and the fires of '71 form a background which finds no parallel across the Rhine. "A workingman's '93" is the ideal which is never far from the mind of the class-conscious proletarian. His impetuous courage, his idealism, his thoroughgoing logic, his chafing at dis-

cipline, have made the French movement at once more spectacular than the German, and less efficient, at least as the drill sergeant rates efficiency. The economic environment has had its influence. France is preëminently the land of the peasant and the artisan, the land where in spite of a steady advance of large-scale production, especially in the north, the small industry still holds its ground the firmest and the personal equation counts for most, the land of the most even and universal distribution of wealth, the land, in brief, where the Marxian forecast of capitalistic evolution finds tardiest fulfillment. Important, too, is the political environment. The survivals of feudal privilege, the powerlessness of the Reichstag, the restricted suffrage of Prussia, which weaken the force and strengthen the intransigeance of German social democracy, find little parallel in a land where republican equality, universal and equal suffrage, and a central parliament in control of the cabinet executive open the path to power and to reconciliation to the state. In France, however, as in Germany, the group system makes against the consolidation of all the forces of the Left.

Corresponding in some degree to this difference in environment, expressing and accentuating it, is the difference in theoretical inheritance. A strong idealist strain has persisted throughout the whole French socialist movement, surviving from the humanitarianism of the eighteenth century and the Utopianism which continued that tradition. The petty bourgeois anarchism of Proudhon, itself a variant of Utopianism, which permeated the thought of radical France in the fifties and sixties, and formed the chief theoretical equipment of the French section of the International, has continued to exert a powerful influence. Then in the seventies the class war and economic fatalism of Marxism entered France, and made a second German conquest, especially in the industrial north.

The socialist movement which developed under these various influences of theoretical and of racial and economic and political environment has been marked by little of the disciplined unity of the German record. Each tendency has been embodied in a distinct party, fighting for its own hand. The many able leaders the movement has called forth have found it difficult to sacrifice their cherished principles and their personal ambitions on the altar of harmony. Faction has fought against faction, on the platform and at the polls, — it is the shades, not the colors, that hate one another, the French proverb runs, — and union has been patched up in one direction only to be offset by a split in some other section of this unluckily fissiparous movement.

Yet underlying all the shifts of faction and the antagonism of individuals a broad general tendency may be discerned. In the main the experience of the French socialists is the experience of the German socialists in the accentuated form to be expected from the more democratic environment. Forty years of discussion and action have shown the impossibility of a strong movement maintaining the barren and irreconcilable attitude of the class-struggle fatalist. Given the first step in compromise with existing society — the participation in politics — and there follow more or less slowly growing stress on positive action here and now, gradual loss of the exclusively proletarian character, increasing acceptance of the state. It is true there continue to be within the movement, strife of radical and moderate, degrees of reconciliation to the existing order. In the gradual slide down the slope of parliamentarism the Left still keeps relatively Left. The history of the political movement is the record at once of the conflict between revolutionary and reformist tendencies, and of the gradual drift toward the reformist attitude. This, however, is not the complete record of the socialist movement in France. The chief development of

recent years has been a reaction against parliamentary compromise, a revival of revolutionary zeal finding expression not in political but in economic action — the growth, namely, of syndicalism.

Until of recent years economic activity played small part in socialist strategy. The coöperative method of socializing capitalism was looked on with special disfavor by the socialists of the straiter observance. Profit-sharing, an offshoot of Utopian preaching, was regarded as a bourgeois snare, and the French devotion to the ideal of producers' coöperation and the English devotion to consumers' coöperation met neutrality at best. The trade union was regarded with more favor, and large sections of the socialist groups took an active part in initiating and developing trade union organization. The great majority of French socialists, however, regarded it as decidedly a secondary factor, helpful not so much through its own activity as through its aid to the political party. The secondary role which the Guesdists, or orthodox Marxists, assigned the union is sufficiently revealed in the official recommendation to the members of the party to join a union — in order "to spread the doctrine of socialism and recruit adherents for the programme and policy of the party."[1] The trade unions, on the other hand, were too weak to exercise important influence on the political movement. The persistence of small industry, the hostility of cramping legislation, the tendency to division and sectionalism, the reluctance of the average workman to undergo the trouble and expense of permanent organization,[2] long made French unionism a negligible quantity compared with the English or even the German movement.

[1] *Compte-rendu*, Congress of the parti ouvrier français; Lille, 1890.

[2] Cf. the comment of an English trade unionist at an International Congress: "When it's a question of holding up hands to vote on resolutions our French friends are always ready, but when it's a question of putting hands into pockets they are not to be found." — Cited in Vandervelde, *La Grève Générale*, p. 28.

Economic weapons disregarded, the field was divided by the advocates of force and the advocates of political action. At the extreme left, reckoned by opposition to parliamentary activity, stood the anarchists, so far to the left, indeed, as to be disowned by the majority of socialists. It is true the anarchist has as many points of antagonism to the orthodox socialist as of agreement with him: while he is the heir of the Utopian socialist in the stress laid on abstract principles of justice and fraternity, in the appeal to all classes indiscriminately, in the distrust of large-scale production, these are just the points in which the Utopian socialist differed most widely from Marxism, with its stress on economic rather than ideal forces and its exclusively proletarian appeal. And while, again, anarchists like Bakunin looked forward to a collectivist organization of free society and Kropotkin finds his ideal in communism, the persistence of individualist tendencies among the anarchists of the Tucker school makes it impossible to identify socialism and anarchism in their forecast of the future.[1] So far as Marx and Engels and their earlier followers are concerned, the claim of the anarchist to kinship rests mainly in their common repudiation of the state, their expectation that it would "die out." But while Marx sanctioned participation in politics as a means of securing control of the state and inducing it to perform harikari, the anarchist rigidly abstains from any compromising share in political activity and especially opposes piecemeal reforms, whether as sustenance or as bait. Persuasion is his sole tactics. Paradoxically, to the wing of the anarchists most in public gaze, persuasion and force have come to be near allied, through adherence to the cry of "propaganda by deed," the policy of throwing bombs into public gatherings and striking daggers into the hearts of empresses in order to attract the attention of a busy and blasé world. This policy of advertising by dynamite has not found

[1] Cf. Eltzbacher, *Anarchism*, translated by Byington, p. 283.

many adherents: "it would be possible," declared Liebknecht with rhetorical exaggeration, "to pack all the anarchists in Europe in a couple of police wagons." So far as France is concerned, the anarchists, distinctly repudiated and excommunicated by the socialists of political tendencies, counted for little in the social movement until the rise of syndicalism gave them new audience.

Among the more strictly socialist groups the Bianquists were distinguished as the special inheritors of the revolutionary tradition. They preached the gospel of the revolutionary minority. The new society must come by the initiative of a bold, well-disciplined general staff, who would place themselves at the head of the sluggish masses, snatch victory out of chaos, and proclaim the dictatorship of the proletariat. Universal suffrage was but quackery, it would involve reconciliation with bourgeois society, compel the abdication of the revolutionary minority who knew their own mind, in favor of the hopelessly docile majority, deluded into moderation by the wiles of privilege and the blindness of ignorance; the majority must be saved from themselves. Political action was necessary, but only as a means of revolutionary agitation, of organization of the élite. After the death of Blanqui, and under the leadership of Vaillant and Sembat, this group, known in its later years as the Revolutionary Socialist party, became more and more impregnated with Marxism and closely associated with the Guesdist faction. This Guesdist group, the French Labor party, has been for a generation the official exponent of simon-pure Marxian doctrine in France. Jules Guesde, Communard refugee, returning to Paris in 1876 to find the radical working-class movement still feeling the sobering effects of the Versailles repression of the Commune, succeeded by personal propaganda, newspaper agitation, and the advertisement of police prosecution in inducing the Labor Congress which met at Marseilles in 1879 to take its stand on a collectivist

platform written in large part by the hand of Marx himself. Shedding the coöperative elements on the one hand and the anarchists on the other, the new party declared its faith in emancipation by political action, but action of the orthodox negative type. Rigid in its revolutionary faith, looking forward to the expropriation of the robber rich at one fell blow, hostile to all compromise with the bourgeois state or bourgeois parties, guarding against heresies by a highly centralized organization, the Guesdist party has long been the backbone of French socialism. Among its leaders it has counted Guesde, Lafargue, the son-in-law of Marx, Deville, Delory, and Roussel. Almost at the outset of its career, however, its all-or-nothing tendencies proved insupportable to a section of its members and in 1882 the opportunist element drew off to form the Federation of Socialist Workingmen, more briefly designated Possibilists, or, from their leader, Broussists. The Possibilists, as their name implied, believed in attaining the collectivist goal by easy stages, reaping along the march what results were immediately possible. Foes of centralization, they laid stress on the autonomy of the commune and the extension of its public services. Factionalism had not yet reached its limit. In 1891 a split took place in the Possibilist party, this time to the left instead of to the right; the new group, the Revolutionary Socialist Labor party, or Allemanists, were, however, never so important in numerical force as in the fact that with their advocacy of the general strike they foreshadowed the development of the later anti-parliamentary movement. Finally, at the extreme right of the movement were found upholders of idealism like Benoît Malon, Rouanet, Fournière, and Renard, and at a later stage a group of independent socialists which included Jaurès, Millerand, Viviani, Briand, and Gérault-Richard, men of bourgeois antecedents, of practical capacity, and of opportunist leanings.

The clash of principle between these shifting groups and

the drift of the whole movement towards parliamentarism may be gathered sufficiently by stating the attitude taken on four or five of the principal questions of tactics which have arisen. Late in the eighties the spectre of General Boulanger on his black charger came to trouble France. Backed by monarchists, clericals, militarists, he threatened the safety of the republic. Should socialists rally to the defense of the republic, or leave it to its fate? At once the Possibilists, and members of the unattached Right, such as Malon and Rouanet, pronounced in favor of alliance with the radical forces to repel reaction. The republic and the liberties it gave must be saved, or future progress was blocked. The socialist should follow the traditional policy of siding with the middle class against aristocracy. For the sake of the republic of the future, the party should "forget for an instant the sixteen years during which the bourgeoisie had betrayed the hopes of the people."[1] Not so the Guesdist and Blanquist stalwarts. The true socialist had other tasks than preserving bourgeois republics. To him the struggle was merely a quarrel between two factions of the master class for the privilege of picking proletarian bones. There was but one enemy, "capitalist feudalism, in whose interest opportunist and radical govern to-day, in whose interest Boulanger would govern and flash his sabre to-morrow."[2] While, therefore, in the elections of 1889 the Possibilists threw their votes to the joint radical candidates, the Guesdists and Blanquists set up independent candidates, regardless of consequences.

In 1889 the combined socialist forces polled only fifty thousand votes. Disunion and the intransigeance of the majority prevented wide success. Yet slowly socialist deputies were filtering into the chamber, and slowly the taste of parliamentary success brought craving for more.

[1] *Manifeste de la Fédération des Travailleurs socialistes de France*: Zévaès, *Le Socialisme en France*, p. 268.

[2] *Manifeste du parti ouvrier français*: Zévaès, p. 270.

Even the Guesdists could not resist the temptation to angle for votes. Following the Possibilist lead they drew up in 1891 a municipal programme, offering free meals, clothes, and shoes for school-children, free medical and legal advice, an eight-hour day on municipal contracts, the abolition of the octroi tax on food-stuffs, and other attractive "palliatives." Victory in 1892 in Marseilles, Toulon, Roubaix, and many other important towns, proved the attractiveness of such bait, even though reaction quickly followed on actual experience of socialist administration. Encouraged by this step in opportunism, the Guesdists turned to the peasant. If the party was to conquer by the ballot a majority of voters must be won, and in France no majority could be had from the city workers alone. Yet in the country the prospects for a campaign on strict revolutionary principles were anything but encouraging. The rural proletariat, the workers for wage, were only the minority of the rural population and in large part proof against discontent by the very hopelessness of their lot.[1] The peasant proprietors and renters, who formed the bulk of the population, were hopelessly individual in their mentality, not to be seduced from the little farms in which their very personality was merged by the most glowing

[1] The leading socialist authority on agrarian matters, M. Compère-Morel, admits the failure of twenty years of socialist agitation to reach this element: "The rural proletariat is divided into two very distinct classes. There are first the workers who live elsewhere than on the farm, with their little cottage and corner of land. These are the sound elements and from them we win recruits. But the other class, the enslaved domestics, the drovers, the stable-boys, the shepherds and cowherds, who are attached to the farm like the dog to his kennel, these, I regret to say, are hopelessly dull, their intellectual level is extremely low, . . . people incapable of any mental enjoyment, soaked in ignorance and in alcohol, condemned to go from church to inn and from inn to church (loud applause). We have many a time tried to win these farm domestics to our ideas, but with what painful results! Capitalist exploitation has made of the semen human cattle." — *Le socialisme et les paysans*, 1909, p. 21.

The confession is a significant comment on "the worse the better" tactics.

visions of the huge collectivist farms of the future. Contrary to the forecast, they were not disappearing before the competition of the large estate; the socialist might declare that the peasant survived only by unremitting toil which meant slow suicide, or that the exploitation by the middleman and the mortgagee made his independence illusory; the fact remained that the peasant was neither to be forced out by economic evolution nor to be drawn out by socialist persuasion. Yet his vote must be had. Principles had to give way to tactics. At the Congress of Marseilles in 1892 a programme was drawn up demanding for the day-workers a minimum wage and pension funds, for the renters a fair rent commission and the Ulster right; for the peasant proprietors communal provision of machinery and fertilizers, free instruction in agriculture and experimental farms. It was undeniable that these reforms were largely imitated from bourgeois party programmes, and that, if secured, they would strengthen individual property-rights. It was vain for socialist apologists to declare that their belief in the eventual disappearance of the small farmer did not compel them to hasten the process; true, but it forbade their blocking and staying that process, preserving a form of production which in many cases might not indeed involve exploitation of any but the farmer himself, but which in socialist theory was unsocial and economically backward. The orthodox socialist attitude toward this falling from grace is clearly evidenced by the overwhelming rejection by the German party in 1895 of similar proposals, and by the express denunciation of Engels.[1]

[1] "The development of capitalism is destroying the small landed property beyond hope of redemption. Our party is clear on that point; it is not, however, called on to hasten the process by its own efforts. There is no objection to be made on the ground of principle to properly chosen means of making this inevitable ruin less burdensome for the peasants, but if you do anything further, if your aim is to uphold the peasant permanently, then in my opinion you are striving for what is economically

This taking agrarian programme, the Panama scandals, the newspaper activities of Millerand and the campaigning of Jaurès and other recent recruits coöperated to secure unprecedented success in the elections of 1893. Fifty socialist deputies of various hues were returned. The effect of this success in abating revolutionary zeal was counteracted for some time by the lack of temptation from the bourgeois side. One Right Centre ministry after another, the Dupuy, Casimir-Périer, Ribot, and Méline administrations, took up a position of distinct hostility to the socialists: only in the brief administration of Léon Bourgeois was opportunity given for coöperation. It was not until 1897 that the next crucial issue was raised, when Zola's famous *J'accuse* letter in defense of Dreyfus appeared, and the strife over the guilt or innocence of the accused Jewish army captain widened into a conflict between the progressive and the reactionary forces for mastery of the state. The situation facing the socialist party was much the same as in the Boulanger case, and the same division of opinion reappeared.

To the militant class-conscious Guesdist or Blanquist the only possible attitude was rigid abstention. What had the socialist to do with a struggle between rival capitalist factions, between clerical and Jew, rivals of a day, gluttonous guests who quarreled at the banquet? His part must be to press home the lesson of the disgraceful affair, to prove bourgeois bankruptcy, to turn against the social order the scandals of this military Panama as they had utilized the financial Panama. Must the proletariat forget the iniquities of which they were the daily victims, the monstrous injuries wrought day in and day out against their own

impossible, you are sacrificing principles and becoming reactionary. . . . [I conjectured] that our French friends would stand alone in the socialist world in their attempt to buttress up forever not merely the small peasant proprietor but also the small renter who exploits other workers." —Engels, cited in *Protokoll*, Frankfort, 1894, p. 151, n.

wives and children, and the moment that a staff captain, a rich man who had of his own free will chosen the worst of careers, is served with his own class justice, abandon all to rush to his defense? The socialist party could not turn aside to save an individual victim; it had a class to save, humanity to save.[1]

To the men of the Right, these tactics appeared unworthy of the party and the crisis. If to Guesde all ideals wrought out before the year One of the Marxian era were of little importance, to Jaurès the conception of socialism as merely the latest stage in the long evolution of democracy was ever present. If the bourgeois state had proved its moral bankruptcy, press that truth home, but snatch for the socialists the honor of defending the liberty and justice the bourgeois parties could no longer protect. It was not the rehabilitation of an individual that was at stake, but the preservation of the republic. It was impossible to lump all the anti-socialist forces together as equally reactionary. "True," declared Jaurès, "society to-day is divided into capitalists and proletarians, but at the same time it is menaced by the aggressive revival of all the forces of the past, of feudal barbarism, of the whole power of the church, and it is the duty of socialists, when the liberty of the republic is in danger, when intellectual liberty is in jeopardy, when freedom of conscience is threatened, when the old prejudices are being resurrected which revive once more the race hatreds and the atrocious religious feuds of the centuries that are gone, it is the duty of the socialist proletariat to march shoulder to shoulder with that section of the bourgeoisie which has no wish to revert to the past."[2]

The sequel of the Dreyfus case and of the manful service the Jaurès section performed was the famous Millerand

[1] Cf. *Les Deux Méthodes*, Conférence par Jaurès et Guesde, Lille, 1900; and *Déclaration du parti ouvrier français*, 1898, in Zévaès, *op. cit.*, p. 286.

[2] *Les Deux Méthodes*, p. 4.

dispute.[1] If a socialist party might champion the radical republic, why should not a socialist accept the reward of a post in the radical ministry? Millerand's action in 1899 in taking the portfolio of Commerce in the Waldeck-Rousseau ministry of republican defense was the logical next step in the opportunist path. If the socialists had power, why shirk responsibility? True, they must act as a revolutionary class party, never forgetting the final goal, but they could not act in a vacuum; they must penetrate every fissure of bourgeois society, must participate in administration, must show they could manage affairs as well as make fine speeches, must lay in the present the foundations of the future state. The presence of a socialist in the ministry, the members of the Right wing contended, was a striking testimony to the progress of socialism and a pledge of progressive action. Guesde and Vaillant, however, while admitting the offer of a post was an unwilling compliment to socialist power, held that its acceptance was a scandalous desertion of the principles of class war. The socialist heaven could not be entered until after the judgment day of capitalism.[2] The socialist whose aim was social revolution could not share power with the bourgeois whose aim was social conservation. And would power really be shared? A single socialist in the capitalist ministry would be only a dupe, a hostage; his entry would no more signify the overthrow of capitalism than the entry of a Protestant into the College of Cardinals would have meant the triumph of the Reformation. To make matters worse, His Excellency Comrade Millerand sat cheek by jowl in the cabinet with Gallifet, queller of the Commune; in his official capacity he welcomed to Paris the Czar,

[1] "It is because the proletariat played a decisive rôle in this great social drama that the direct participation of a socialist in a bourgeois cabinet has been made possible." — *Les Deux Méthodes*, p. 5.

[2] "There is nothing changed and can be nothing changed in the existing order so long as capitalist property has not been abolished." —Guesde, *ibid.*, p. 14.

red with the blood of Russian revolutionaries; as a member of the cabinet he upheld rigorous armed repression of strikes. Bad led to worse.

At the height of the discussion in 1900, the International Socialist Congress met in Paris. It endeavored to heal the differences between the warring factions and to decide authoritatively on the tactics involved. A compromise resolution, moved by Kautsky, was passed, declaring that "the entry of a socialist into a bourgeois government could be considered only a forced, temporary, and exceptional expedient." Jaurès accepted the resolution, but Guesde and Vaillant held out for a more thoroughgoing repudiation of the policy of ministerialism. The attempt to bring about union failed, but a partial cessation of the factional struggle came with the welding of all the scattered forces into two large groups, the French Socialist Party, comprising the Broussists, Allemanists, and Independent Socialists, and the Socialist Party of France, made up of the Guesdists, Blanquists, and various minor fractions.

After the Millerand portfolio, the Combes bloc. The Waldeck-Rousseau ministry had warded off the attack of the forces of reaction. The Combes ministry, which followed, carried the war into Africa by striking at the sources of clerical influence, dissolving monastic congregations, and secularizing education, with separation of church and state looming up in the distance. The new cabinet rested on a bloc of the parties of the Left, Ministerial Republicans, Radicals, Socialist Radicals, and Socialists. Not only did the Socialists lend the government their votes: Jaurès guided and inspired their policy, playing Père Joseph to M. Combes' Richelieu. Again the revolutionary wing became alarmed at the pace: Jaurès' support of the cabinet was alleged to be too systematic and unquestioning, the inclusion of delegates of the French Socialist Party in a committee of all the ministerial groups was held to merge

that party in the democratic mass. Yet the Guesdists and Blanquists themselves, if halting short of the opportunist extremes of the Jaurès faction, gave the ministry unswerving support at every critical vote, capping the climax by supporting a resolution of which a section specifically repudiated collectivism, because it was regarded as a motion of confidence in the government.[1] Such differences as existed between the two factions furnished the theme for a full-dress debate on tactics at the next International Congress, held at Amsterdam in 1904. In spite of Jaurès' impassioned defense and his audacious arraignment of the helpless sterility of German socialism as more dangerous to the common cause than French opportunism, the majority sided with Bebel and Guesde in re-voting the Dresden resolution of 1903, which condemned revisionist tendencies toward reconciliation. It was significant, however, that most of the delegations which had free parliamentary institutions and prospects of success themselves voted against the attempt to force on France a policy framed for less favorable conditions.[2]

[1] Cf. the contemporary testimony of Marcel Sembat, a leading Blanquist: "Is the difference in attitude between the two parliamentary groups really so profound? We of the revolutionary socialist group have always desired to show that we were not ministerialists by settled determination, and to give our votes to the government only when it merited them. But in fact, especially since the Russo-Japanese war, it is undeniable that we have systematically sustained the ministry. If we were as impartial as we profess, would we not, when the ministry was attacked, wait to learn whether it was right before expressing our approval? Now in case of attack upon it, you see us in the front rank shouting in a way to drown the voices of the most hardened ministerialists in the parliamentary socialist group."—"Petite République," Nov. 2, 1904, in Milhaud, *La Tactique Socialiste*, ii, p. 142.

[2] The Adler-Vandervelde amendment, affirming the class struggle tactics, but refraining from condemning Jaurès' policy as an infringement of those tactics, was supported by 21 votes: Great Britain 2, Argentina 2, Austria 2, Belgium 2, British Colonies 2, Denmark 2, France 1, Holland 2, Norway 1, Poland 1, Sweden 2, Switzerland 2; and opposed by 21 votes, Germany 2, Bohemia 2, Bulgaria 2, Spain 2, United States 2, France 1, Hungary 2, Italy 2, Japan 2, Norway 1, Poland 1, Russia 2.

To excommunication by this latter-day church council was added rebuff by Jaurès' democratic allies. The more moderate elements of the bloc, wearying of their impetuous colleagues, turned to the Right for support; the Rouvier and Clemenceau cabinets which followed made no bid for socialist votes. For the present a policy of opportunism was out of the question. The way was clear for union of the warring factions, and in 1905 the Guesde and Jaurès forces joined to form the United Socialist Party. Many members of the French Socialist Party were unwilling to follow Jaurès in the concessions made for harmony's sake, and carried on their own organization. From the ranks of the latter group there have come in recent years two cabinet ministers, Viviani and Millerand, and even a premier in Aristide Briand. Needless to say, the Briand who makes his platform social solidarity and cessation from factional struggle is so far from the Briand who was once the most reckless advocate of the general strike that his erstwhile comrades of the United Socialists refuse to recognize him.

But meantime these shifts of parliamentary tactics were losing their importance. The whole political movement was being overshadowed by the growth of a new revolutionary economic organization, independent of both wings of the party, reformist or revolutionary, and competing with them for proletarian favor. Syndicalism, or the new unionism, is the most characteristic contribution made by France to the revolutionary working-class movement. Its creed, in brief, is that the working class must work out its own salvation, by its own organs, by direct and not by deputed action, and that the *syndicat* or labor union, chief of these organs, is to be regarded not merely as an instrument for securing partial alleviations of the existing capitalist system or as a recruiting-ground for socialist parties,

The amendment failing a majority, the Dresden resolution was passed by 25 votes to 5, with 12 abstentions.—*Protokoll*, Amsterdam, p. 49; and Milhaud, *op. cit.*, p. 162.

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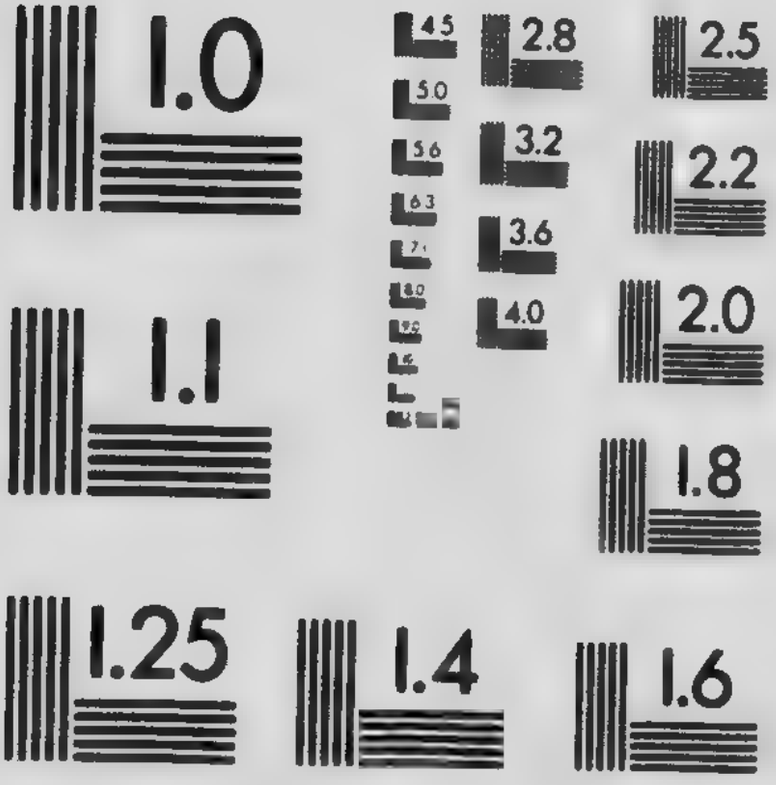

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but as itself the instrument of revolution and the cell of the future social organism.

The rapid growth of syndicalist doctrines in France may be attributed to several causes. Primary is the numerical and especially the pecuniary weakness of French labor unions, disposing to more radical action than would be acceptable to the strong German or English organizations. The reaction against parliamentary opportunism, the feeling that a handful of deputies, chiefly of middle-class origin and habits of thought, could not adequately represent working-class demands, turned this radicalism from the political channel. The anti-parliamentary agitation of the anarchists, who began in the nineties to burrow in the unions, confirmed the tendency. Able leaders rose to give the new movement shape and guidance: Pelloutier, the most original and striking figure in the early days of the movement, Pouget, Griffuelhes, Delesalle, Yvetot, and others in later years. A group of bourgeois intellectuals, including Georges Sorel, the subtle critic of Marxism, Hubert Lagardelle, and Edouard Berth in France, with Robert Michels in Germany and Arturo Labriola and Enrico Leone in Italy, have given notable service in systematic and clarifying exposition.[1]

The organization in which the doctrines of syndicalism are embodied, the Confédération Générale du Travail, or C. G. T., is the outcome of a long and checkered development. The first national Federation of Trade Unions, which came under Guesdist control in 1879, was kept in strict subordination to the party. It never manifested much independent vitality and passed away in 1895. In that year the C. G. T. was organized, largely under Blanquist inspira-

[1] These intellectuals hasten, however, to affirm that they are not in any way responsible for the development of the movement. "Revolutionary syndicalism is the peculiar and original creation of the French working class; . . . if we have had a rôle, it has been simply the rôle of interpreters, translators, glossarists; we have served as spokesmen, nothing more." — Edouard Berth, *Le mouvement socialiste*, no. 198, p. 390.

tion. Meantime the establishment in 1886 of the Paris Labor Exchange and of similar institutions in other cities in rapid succession provided the nucleus for a new organization. The labor exchanges, established to provide a permanent meeting-place for the city's workers, to serve as a centre of labor activity and education, and aid in coördinating the demand and supply of labor, soon became the headquarters of revolutionary propaganda. A federation of labor exchanges was formed in 1892, and incorporated ten years later in the C. G. T. The latter body, which thus became the undisputed central organization of French trade unionism, consists of two autonomous sections. In each the unit is the local trade, or rather the industrial, union. Locally, the unions of all industries are grouped in the labor exchanges, and these organizations, again, unite to form the Federation of Labor Exchanges, one of the main sections of the central body. Professionally, the unions are grouped in national federations, which, again, unite to form the second division of the C. G. T., the section of the Industrial and Trade Federations. The two sections comprise probably half of the million union men in France.

What syndicalism stands for, may be most clearly seen by noting the points which differentiate it from other movements more or less akin. It differs from pure and simple trade unionism in its revolutionary aim and in its adherence to the class-struggle doctrine, from anarchism in its exclusively proletarian appeal and its stress on constructive measures, and from orthodox socialism in its distrust of political action and counter-emphasis on purely proletarian weapons and institutions.[1]

Syndicalism differs from trade unionism of the classic English type in aim, in method, and in spirit. Its aim is revolutionary. Nothing less than the complete overthrow of the capitalist system will content it. Partial ameliora-

[1] Cf. Lagardelle, *Le mouvement socialiste*, no. 199, p. 426.

tions of the wage-earners' lot may be accepted, must in fact be demanded, but all the time with a clear consciousness that no concession which it is in the power of the capitalist to grant can meet their just and full demand. The interests of bourgeois and proletarian are irreconcilable and class war is the only possible means of settlement. In method the difference is equally vital. The syndicalist does not put his trust in well-filled war-chests. It is part of his creed that a union fights best on a lean treasury. The difference in spirit may be illustrated by a rather rhetorical passage in which M. Griffuelhes contrasts French and German unionism: —

> What characterizes the French workman is his audacity and independence. Nothing daunts him. He is above all authority, all respect, all hierarchies. When a command is given by the powers that be, while the first instinct of the German workman is to obey, the first instinct of the French workman is to rebel. . . . And if one stops to consider what action involves, the superiority of French decisiveness and initiative over German prudence and sluggishness is manifest. Reflect too much and one never undertakes anything. One must go ahead, let himself be borne on by his own impetus, trusting only to himself, and reflecting that it is not for us to adapt ourselves to the law but for the law to adapt itself to our will. . . . The originality of French syndicalism lies in the fact that its only policy is action.[1]

With anarchism, the new movement has much in common, so much so that socialist critics insist that syndicalism is only anarchism in disguise. In their opposition to the state, to political action, to militarism, both movements seem at one. But, it is claimed by the exponents of syndicalism, the resemblances are only superficial, the differences fundamental. Anarchism is a survival of eighteenth-century individualism and sentimentalism, syndicalism a forerunner of twentieth-century coöperation

[1] *Syndicalisme et socialisme*, p. 57.

and scientific matter-of-factness. Anarchism makes its appeal to all humanity, syndicalism to the proletarian alone. Anarchism, reactionary at bottom, can see no good in capitalism or any of its works; syndicalism thanks it for preparing the material equipment and the spirit of co-operation essential for the society of the future. Anarchism makes the individual the unit, syndicalism the union. Even in their anti-militarism they wear their rue with a difference, anarchism being actuated by humanitarian motives, syndicalism by opposition to the use of the army in suppressing industrial outbreaks.[1]

Between syndicalism and socialism one would expect to find more harmony. Both profess to be based on the class struggle; both profess to be aiming at the same goal, the collective ownership of industry. Yet the syndicalists obstinately decline to accept either the leadership or the coöperation of the Socialist party. It is a tantalizing situation; the hosts of the workers are marshaling under socialist banners and marching to a socialist goal, all as per programme, but they ungratefully refuse to accept the leaders predestined for their guidance or to follow in the paths thought out for their progress. Guesde planted, and Jaurès watered, but Pouget and Griffuelhes reap the increase.

The syndicalist critic, making his attack from the opposite quarter to that from which the revisionist fire is directed, charges that orthodox socialism is played out. As a doctrine, it has become either, as in France, merely a variant of the prevailing creed of solidarity, or, as in Germany, a meaningless and hair-splitting commentary on a few ambiguous odds and ends of phrases let fall by Marx. As a movement, it has become sluggish, colorless, correct, a bourgeois radicalism of a slightly more advanced type. The old fire has gone. Responsibility for this parlous condition is placed on its adherence to

[1] Cf. Berth, *op. cit.*, p. 32; Lagardelle, *op. cit.*, p. 431.

parliamentary tactics, its transformation into a political party.[1]

While it was the entrance of Millerand into a bourgeois cabinet that first awakened widespread discontent among the militant spirits of the labor exchanges, distrust of ministerial participation soon developed into distrust of political action. This distrust was directed against Guesde as well as against Jaurès. Right wing and Left wing might differ on the minor question of tactics, piecemeal or complete capture of power, but both agreed that the ballot was the socialist's best weapon. Of the two sections the Guesdist was the more uncompromisingly parliamentarian; it was the congress of the French Labor party, at Lille, which declared that it considered as socialists "none but those who, relying on the socialist group in the Chamber of Deputies, seek the abolition of the capitalist régime by means of the conquest of political power by the proletariat." The policy of political penetration had made little change in the lot of the workers; particularly it had done nothing to develop and train their capacities and fit them for their part in the socialist commonwealth, had produced no alteration in the character of the state. And what was true of the fragmentary conquest of state power by a few socialists, the deduction ran, was equally true of the complete conquest by the whole Socialist party: "When Augustus had supped, it may be that Poland was drunk; but whether a few socialists become ministers or all the ministers are socialists, the workingmen remain none the less workingmen."[2]

Discontent soon voiced itself in action. Without attempting to follow all the battles and skirmishes between the adherents and the opponents of alliance between the Socialist party and the syndicalist forces, it may suffice to quote the concluding clauses of the resolution of neu-

[1] Arturo Labriola, *Syndicalisme et socialisme*, p. 11.
[2] Lagardelle, *Le mouvement socialiste*, no. 199, p. 429.

trality adopted by the C. G. T. at the Congress of Amiens in 1906 and resolutely adhered to since: —

> So far as the individual is concerned, the Congress affirms that the member of a union is entirely at liberty to participate, outside the union, in whatever movements correspond to his philosophical or political beliefs, limiting itself to ask in return that he should not introduce within the union the opinions he professes beyond its confines. So far as the organization is concerned, the Congress declares that, in order that syndicalism may attain its maximum effect, its economic action should be carried on directly against the employer, the federated organizations having, as labor organizations, nothing to do with parties and sects, which, outside its sphere, are entirely at liberty to seek the transformation of society."[1]

The refusal of syndicalism to ally itself with parliamentary socialism is based, negatively, on its belief in the essentially faulty position of the latter, and positively, on its belief in its own self-sufficiency. The indictment it brings against the Socialist party is that it is based on a misconception of the class struggle. Party struggle is not class struggle. The party is bound together by identity of opinion, the class by identity of interests. The party is an artificial grouping of men of all classes united by a temporary agreement; the class is an organic division of men subjected to the same economic influences, living and working on the same plane of material interest. This misconception has fatal results on the composition both of the rank and file and of the leaders of the party. The rank and file are recruited from every region of discontent; the party is committed to the defense of every doomed and decaying fraction of the petty bourgeoisie which is suffering from the onward and inevitable march of industrial progress; its action is clogged and hampered by the necessity of catering to the largest possible vote. The leaders more and more are drawn from the bourgeois

[1] *Compte rendu du xv^e^ congrès national corporatif*, p. 171.

"intellectuals," some led into the socialist ranks by honest conviction, some seeking the loaves and fishes, seats in parliament, or editorship of party organs — the camp-followers whom Marx denounced as "lawyers without clients, doctors without patients and without learning, students of billiards." Whatever their motive be, self-sacrificing or self-seeking, they are in either case hopelessly out of touch with proletarian thought and life. Fatal, again, to the integrity of socialist doctrine, is the changed attitude toward the state which results from parliamentary action. Instead of becoming less and less, the state becomes more and more; it is rashly hoped that a mere change in government personnel will suffice for redemption. The attempt is made to realize socialism in the framework of the existing state. And meantime the workers are assigned merely the passive rôle of casting a ballot once in four years. No attempt is made here and now to build up the economic institutions which are to control the society of the future, or to train the workers for the new and greater part they are to play.[1]

Syndicalism is not content with negative criticism; it has a positive constructive policy to offer. It adopts the old war-cry of the International, "The emancipation of the workers must be wrought by the workers themselves," and gives it new meaning. In every class struggle in the past, it is contended, the revolutionary class has created its own organs of emancipation. In the battle against feudal privilege the middle class conquered, not by penetrating and controlling the distinctively aristocratic institutions, but by creating new institutions, free towns and parliaments, and thus building up the framework of a new bourgeois society while demolishing the old feudal society. So the workers must not waste effort seeking to conquer

[1] Cf. *Le parti socialiste et la Confédération Générale du Travail;* Berth, *Les nouveaux aspects du socialisme;* Sorel, *La décomposition du marxisme* (Bibliothèque du mouvement socialiste).

and transform the bourgeois institution, the state; they must destroy the state, rob it of its functions. The proletariat has its own distinctive institution ready to its hand — the union. It is the mission of the Confédération Générale du Travail to aid the workers in forging this new mechanism for its divers purposes, building up union, federation, labor exchange, each with its part to play in the society of the future. Marx himself, whom syndicalists delight to quote against the Marxists, was the first to recognize that in the struggle for proletariat emancipation the union was to play the part played by the commune in the struggle for bourgeois emancipation.[1]

The union, then, has a double part to play: "In the present an organization for collective resistance, in the future the unit of production and distribution, the basis of social reorganization."[2] Or as the organ of the movement phrases it: "The labor unions are coming to recognize more and more clearly the important part they have to take in the social structure. They know that besides defending their daily bread they have to make ready the future. They know that the labor organization is the matrix in which the world of to-morrow is being moulded."[3] The institutions of the future exist in embryo at present; here and now beginnings may be made in upbuilding the order that is to be. Syndicalism is at one with revisionism in this installment attitude, however widely the means adopted differ in character. Action is not postponed till some distant cataclysmal instant. According to Pouget, "the revolution is a work of every moment, of to-day as well as of to-morrow; it is a continuous movement, a daily battle, without truce or respite, against the forces of oppression and exploitation."[4] In such a creed, it is clear,

[1] Cf. Lagardelle and Berth, *op. cit.*; Sorel, *L'avenir socialiste des syndicats.*

[2] *Compte rendu du xv^e congrès national corporatif*, p. 171.

[3] *Voix du peuple*, no. 1, 1900.

[4] Pouget, *Le parti du travail*, p. 14.

there is none of the passivity of the fatalist belief in the all-sufficingness of economic evolution, none of the passivity of deputed action. Syndicalism, with its policy of direct action, demands all the courage and confidence and energy the workers can summon, and in turn trains them for the tasks they will have to assume in the future.

Gradually, then, the various labor organizations must take over whatever functions they can snatch from the employer and from the state, preparing for the day when they will supersede both entirely. Against the state direct action takes the form of "external pressure," by agitation and demonstration in force, as employed in the successful campaign in 1903–04 for the abolition of registry offices, and in 1906 for the passing of a weekly day-of-rest law.[1] Against the employer the means adopted are novel not in themselves but in the revolutionary vigor with which they are applied. The strike, the main weapon, depends for its success not so much on strong strike funds, as on "the enthusiasm, the revolutionary spirit, the aggressive vigor" of the workers, who recognize the futility of competing with their employers on the pecuniary plane.[2] Characteristic are two customs which have marked recent French strikes: the "communist kitchen," where coöperative housekeeping is carried on, both for economy's sake and for the stimulus of contact, and the "children's exodus," the dramatic expedient of shipping to syndicalist sympathizers in other cities all the children of the strikers, thus putting the forces on a war basis.[3] Sabotage, or wrecking, is an expedient which has aroused much syndicalist enthusiasm and bourgeois condemnation. This means, the use of which was formally recommended by the Congress of Toulouse, takes the form "sometimes of a slowing-up in production, sometimes of bad workmanship;

[1] Pouget, *La Confédération Générale du Travail*, p. 46.
[2] *Ibid.*, p. 41.
[3] H. Lagardelle, *Archiv für Sozialwissenschaft*, xxvi, p. 611, note.

. . . in retail trade it takes the form of wasting the commodity sold, to the customer's benefit, or the contrary practice of rebuffing the customer to lead him to take his custom elsewhere. . . . The fear of sabotage is a precious sedative. . . . An example of its efficacy is afforded by the success of the employees of the Parisian hair-dressing establishments in winning a weekly rest-day and shorter hours. It was by 'whitewashing' the fronts of the shops with a caustic solution which injured the paint that this union won its better terms. In the space of three years out of the two thousand shops in Paris there were scarcely one hundred which were not "whitewashed" at least once if not oftener." [1]

The most spectacular of syndicalist policies is the general strike. It is the climax of "direct action." There is something that fascinates the French workman's dramatic imagination in the picture of the sudden paralysis of industry from end to end of the state by the concerted strike of the whole working force of the country. This policy, discussed sporadically in socialist and anarchist congresses since its first broaching at the Geneva Congress in 1866, put into practice of late years by the workmen of Belgium and Italy and Russia to secure political reforms, and in Sweden in 1909 on a gigantic scale for industrial ends, has become the peculiar possession of French syndicalism. At first it took the idyllic form of "the revolution with folded arms" — a mere picnic in the Bois du Boulogne; but in its later expressions it is authoritatively declared, "it does not mean merely the cessation of work; it means

[1] Pouget, *op. cit.*, p. 41. Cf. Jules Guesde: "The boycott, sabotage, partial strikes! These are the weapons, the sole weapons, with which you pretend to transform the institution of property and society! It is with these weapons you expect to make a thrifty conquest of the state, to spike the cannons trained upon you. . . . Is not this the height of ridiculousness? And yet you have not another weapon in your arsenal." —Speech at Congress of Nancy, 1907, reported in *Le parti socialiste et la Confédération du Travail*, p. 40.

the taking possession of the wealth of society . . . for the common good . . . by violent or peaceful means according to the resistance to be overcome."[1]

Scouted at first by the majority of socialists — general strike is general nonsense, declared Auer — it has of late made rapid headway on the whole continent. Even German socialists have given it qualified adherence, upholding the reformist or peaceable general strike, declared for the protection or obtaining of political privileges and carried on in subordination to political activity. The revolutionary strike, proclaimed as a self-sufficient instrument for bringing about the fall of capitalism, is ridiculed by leaders like Bebel and Guesde, who contend that only a fraction of the population could be induced to strike, that in a test of endurance the strikers themselves would fare worst, that society has time and again shown tremendous recuperative power after the anarchy of devastating war, and that failure would mean not merely the temporary check political defeat entails but an intense reaction crippling the socialist movement for years.[2] Will millions of work-

[1] Griffuelhes, *L'action syndicaliste*, p. 33. Cf. the official prophecy of its workings: "The cessation of work, which would place the country in the rigor of death, would necessarily be of short duration; its terrible and incalculable consequences would force the government to capitulate at once. If it refused, the proletariat, in revolt from one end of France to the other, would be able to compel it, for the military forces, scattered and isolated over the whole territory, would be unable to act in concert and could not oppose the slightest resistance to the will of the worker at last masters of the situation." — *Circulaire de comité de la grève générale*, 1898.

[2] "The general strike has attained whole or partial success only when it has been abrupt, when it has taken the government by surprise, and when the bourgeoisie have not taken a solid stand against the strikers. This was the case, for example, with the first Belgian strike in April, 1893, and the first Russian general strike in October, 1904. On the other hand the Dutch general strike (1903), the second Belgian general strike (1902), the second and third Russian general strikes, which did not take the government by surprise and which found little support among the bourgeoisie, have ended in checks which have exercised, long after the defeat, a depressing influence on the proletariat." — Vandervelde, *La*

ingmen consent to die of hunger for their class, when for their class they are not willing to drop a ballot into the ballot-box?[1] But criticism is vain against religious enthusiasm; even if the general strike is impracticable, it has for its theoretical adherents the incomparable advantage of a myth which animates and guides the seekers after the new order.[2]

A necessary complement to the policy of the general strike is the anti-militarism propaganda, and the mockery of the ideals of patriotism. The opposition to militarism has its origin not merely in the knowledge that it is chiefly proletarian flesh that will provide the cannon-meat, but in hatred of the tyranny and the demoralization of barrack life,[3] and above all in the fear of the use of the army, with its upper-class officers, to repress the partial strikes of to-day and the general strike of to-morrow. The worn-out prejudices of patriotism make no appeal; the probability of foreign invasion carries no alarm. What difference does it make whether it is under the French flag or the German that workmen are victims of unemployment and peasants eaten by mortgages; what difference whether the bullets that put down strike or insurrection come from French or from German guns? "Monsieur the advocate-general, cease waving the kaiser-bogey before us, to whom it is indifferent whether we are French or German."[4] Hervéism, militant anti-patriotism, it is true, is genetically not so much a product of syndicalist economic thinking as of

Grève Générale. Cf. *Die Lehren des schwedischen Riesenkampfes*, in *Korrespondenzblatt der Generalkommission der Gewerkschaften Deutschlands*, 1909.

[1] Guesde, *Congrès de Lille*, 1904.

[2] Cf. Sorel, *Réflexions sur la violence.*

[3] "The army is not merely the school of crime, it is also the school of vice, the school of idleness, of trickery, of hypocrisy and cowardice." *Nouveau Manuel du Soldat, Fédération des Bourses du Travail*, 16th edition, p. 10.

[4] Gustave Hervé, *L'anti-patriotisme : Déclaration en Cour d'Assises*, 53d thousand, p. 21.

bourgeois cosmopolitanism gone to seed; the official exponents of the new unionism are careful to point out the remnant of ideological prejudice which betrays the origin of Hervéism.[1] Whatever its theoretical parentage, however, the anti-patriotic campaign finds wide support among syndicalists as well as among more orthodox socialist and bourgeois cranks.

An essential feature of the syndicalist creed is the hostility to majority rule. Syndicalism possesses the happy faculty of making virtues of its necessities. Faced with the fact that it is only a minority of a minority, including in its ranks, at most, 400,000 of the 850,000 union men in France, who in turn are only about 17 per cent of the whole number of male workers, the C. G. T. proudly asserts the rights of the minority to rule. Democracy, with its majority-rule superstition, installs in power the reactionary and the sluggish, the inert and refractory masses. Syndicalism proclaims the right of the conscious and enlightened minority, stewards of the future, to represent the "human zeros" who have not awakened to their opportunities, whether they will or no.[2] A practical application of this doctrine is found in the refusal of the controlling spirits of the C. G. T. to give the larger and more conservative organizations represented the weight to which their numbers entitle them, petty federations with a few score of members counting for as much as great national unions with a score of thousands.

It is probable that in time the syndicalist movement will become more conservative in its creed and tactics as it becomes stronger and more representative. Meantime its effect has been to make the Socialist party more radical. The swing to the right has for the moment been reversed. The party has found it necessary to furbish up its rusty revolutionary phrases to avert wholesale desertion to the

[1] Cf. *Le mouvement socialiste*, no. 205, pp. 472–475.
[2] Cf. Pouget, *op. cit.*, pp. 24–26.

anti-political forces. It is not the least curious feature of the situation that while revolutionist Guesde excommunicates syndicalism with bell, book, and candle, the opportunist Jaurès, ministerialist of yesterday, but bent on unity at all costs, is willing to go with the syndicalists a mile that they may go with him twain. Parliamentary opportunism and anti-parliamentary syndicalism have this in common, that both look to establishing the foundations of the future socialist order in the present order, rather than, as the old-fashioned revolutionists propose, postponing the bulk of the constructive work of reform till after the judgment-day of capitalism has passed. The party has not committed itself to the whole syndicalist programme. It has perforce, however, in spite of the strong opposition of the orthodox, now become the moderate faction, acknowledged the equality, if not the superiority, of the economic over the political weapon. It has indorsed the general strike. It has refused to abandon the ideal of patriotism or to condemn defensive warfare, but it has been so far affected by Hervéism as to sanction the most vigorous campaign against warfare "by all means, from parliamentary intervention, public agitation, and popular demonstrations to the general strike of the working classes and insurrection." It has vigorously attacked the Clemenceau and Briand governments for their firm repression of strike violence, and has indorsed the demands of the postal and railway employees of the state for a measure of administrative autonomy which would eventually lead to the supersession of the state by the unions of government employees, in the management of nationalized industries. At the same time the change in the political situation confirms this tendency of the socialists to stand aloof from the government. The rout of the clerical and monarchical forces has removed the danger which bound all the parties of the Left together in defense of a lay and Republican France. The government tends to substitute a policy of reconciliation

and social peace for the policy of combat and to find its support in a regrouping of centre parties. As it shifts to the right, inevitably the Socialist party reverts to its isolation on the extreme left — till the next turn of the kaleidoscope.

From France and Germany socialism has spread throughout Europe, varying with the industrial and political and racial environment of each country. The movement is everywhere of interest and, in several states, of importance. In Italy, a middle-class, intellectual, reformist socialism seems to be gaining the upper hand over a revolutionary working-class syndicalism. In Spain, the socialist movement, strongly tinged with anarchism, is perforce as much anti-clerical and anti-monarchical as anti-capitalist. In Hungary and eastern Europe, the movement is comparatively weak in face of the feudalist constitution of society. In Austria, the growing industrialism and the preoccupation of other parties with racial issues have given socialism strong hold as the chief means of expressing social discontent. In Russia, despotism has made the right wing of the movement, the Social Democratic party, revolutionary, and the left wing, the Socialist Revolutionary party, terrorist. In the Scandinavian countries, socialism is firmly based on trade unionism. In Belgium, the characteristic feature is the development of coöperation, and to a less extent of trade unionism, alongside the political party, as equal and integral parts of the movement. In Holland, the inevitable strife between opposing sections has led to opportunist triumph and orthodox secession. Yet, interesting and important as are the Continental developments, nowhere are the fortunes of socialist agitation so significant as in the two countries which are the chief seats of the capitalism against which socialism makes war, the United Kingdom and the United States.

It is a striking instance of the irony of fate that the

country which Marx regarded as the mirror in which all other lands could see their own future development, the country which gave him the data for the downfall of capitalism he forecast, and sheltered him in the unquestioning obscurity of London while he elaborated his world-shaking theories, is the land of all the great powers of Europe where revolutionary socialism makes slowest progress. Seventy years ago Engels declared that "prophecy is nowhere so easy as in England. . . . The revolution must come; it is already too late to bring about a peaceful solution." That revolution still hangs fire.

Racial qualities have made against ready acceptance of sweeping socialist proposals of regeneration. The individualistic temper of the typical Englishman, his sturdy self-reliance and readiness to fight for his own hand, coupled with an instinctive respect for his social superiors, his uneasy distrust of long views and theoretical completeness, his insular prejudice against mere foreigners' ideas — passing latterly — his proneness to compromise and to muddle through, have long been recognized as bulwarks of the existing order. This very reluctance to commit himself to a doctrinaire position, however, works to some extent both ways; he will not be deterred from advocating a specific installment of socialist practice which commends itself to his judgment by fears of long-distance consequences; Liberty and Property Defense Leagues share the sectarian isolation of Social Democratic parties.

The economic environment presents both favorable and unfavorable aspects to the agitator. In no country has the concentration of landed property gone to the lengths familiar in the United Kingdom. With a Scottish ducal estate running over a million acres, and half of the land of England and Wales in the hands of four thousand owners, the time would seem ripe for socialist preaching. Yet few fields are in reality less favorable; the isolation of the English rural laborer, his narrow horizons and his social

dependence thwart all efforts at organized revolt. An equally effective and much more desirable bulwark against disaffection than the ignorance of Hodge is the independence of Pat: the intervention of the state to establish peasant proprietorship in Ireland, coupled with the hostility of the Catholic Church, effectually closes the greater part of the Emerald Isle to the collectivist. In industrial and mining centres conditions are more favorable for him: the little likelihood of the average workman rising to independent wealth gives the occasion, the relative comfort the spirit, and the daily and nightly group contact the opportunity for organized class effort. It does not necessarily follow, however, that this effort will be directed to the overthrow rather than to the modification of the capitalist system: the trade union, especially of the skilled trades, may become a pillar of society and the coöperative movement as notable for its joint-stock individualism as for its social unity. The long preëminence of Britain in manufacturing and commerce, again, brought a prosperity in which the workers shared, and though inevitably Britain's lead has lessened, as other nations have taken the place their resources and energy command, absolutely her prosperity shows no signs of slackening.

The political institutions of Britain have been as important as the economic in shaping the course of social movements. Her democratic freedom has made for sane progress. Slowly and stubbornly the progressive forces have forced the broadening of the franchise to include every male householder and permanent lodger, and little complaint is heard from the men still beyond the pale. The civil liberty which permits freedom of speech, of writing and of association, and makes the official responsible at law for his acts, has long been the despair of Continental workingmen. This freedom, civil and political, makes agitation easy but also makes it less dangerous; there is no Russian policeman sitting on the safety-valve. The

anomalous privileges of hereditary lawmakers and the attempt to keep the Commons an appendage of the leisure classes by refusing payment of members have had far-reaching effect on the tactics of the labor movement. Cabinet government has assured majority control, while the two-party framework within which the modern social movement has been developed, has made for compromise and coöperation, rather than for the antagonism of the sects and groups.

In this environment it was certain that there could be no mere duplication of the German or the French movement. For many a year, indeed, it seemed that no conscious organized socialist movement of any type would develop. The vague unrest which had found diverse expression in Owenism and Chartism died down as freedom of trade and regulation of industry fostered and shared prosperity. The working classes were absorbed in political agitation to secure the suffrage and in the daily task of building up strong and businesslike unions. English participation in the International was half-hearted and for transitory ends. On all sides socialism was regarded as a curious Continental malady from which Britain was fortunately immune. Then slowly the change came. The attainment of the franchise left the field free for economic agitation. The New Unionism, representing the efforts of the unskilled millions to organize, developed tendencies more radical than had marked the older unionism of the skilled trades, the aristocracy of labor. Henry George's burning attack on the iniquities of landlordism made a profound impression in Great Britain and stirred wide circles to radical thinking and to attacks on other forms of privilege than rent. The writings of Marx gradually became known. Slowly one organization after another was formed to voice the rising unrest and socialism was once more a conscious force in Britain.

First in the field, and to this day the chief exponent of

pure Marxism in England, was the Social Democratic Federation. Established in 1881 as an advanced radical society, it adopted its socialist name and policy two years later. From that time it has been indomitably persevering, if not correspondingly effective, in proclaiming the collectivist gospel. At one time or another it has counted in its ranks most of the leading socialists of England. Hyndman and Burrows, prominent among the founders, and Quelch and Lee of the early recruits, are still in command. But the majority of the able men it attracted have later fallen away. William Morris, who broadened socialist thought to take heed of art, Belfort Bax, the philosopher of the movement, and Ernest Aveling, son-in-law of Marx and popularizer of his writings, seceded in 1885, to form the short-lived Socialist League; the sources of dissension were chiefly personal, though Morris soon developed strong anarchistic sympathies incompatible with the rigid collectivism of the parent society. Many of the Fabian leaders for a time found uneasy anchorage in the Federation. Champion was expelled after his "Tory gold" exploits in 1886, Tom Mann was lost to Australia, and John Burns, lovingly dubbed Judas Iscariot by his quondam mates, to the Liberals and Whitehall.

"The Federation," wrote Engels in a private letter in 1890, "always acts as though besides itself there only existed asses and quacks."[1] This judgment of Engels reveals the source of the impotence of the organization. More Marxist than Marx, it early stereotyped a set of doctrines which are still drearily reiterated in speech and pamphlet, and in the weekly party organ, "Justice." The S. D. F., as it was usually known, or the S. D. P., since it changed its name to Social Democratic Party in 1908, took its stand firmly on the class war, looked forward hopefully to the speedy collapse of capitalism, and set itself resolutely to instruct and marshal the proletarian

[1] Engels to Sorge in *Socialist Review*, i, p. 30.

hosts. It ill concealed its scorn for the cautious, bargaining, half-bourgeois trade union. In early days the Federation leaders played with revolutionary phrases and dropped darksome hints about the progress of chemistry in the fashioning of explosives, which might easily prove to capitalism what gunpowder had been to feudalism.[1] In Victorian England, however, they found it necessary to confine themselves to political weapons, entered the race for votes zealously, and drew up a varied programme of immediate reforms ranging from abolition of the monarchy and repudiation of the national debt to free maintenance of school-children and the eight-hour day.[2] Yet the workers have not flocked to their banner; the party membership is scarce a fortieth of the German strength, and not a single S. D. P. representative sits in the British Parliament. The average worker has been repelled by the strange phraseology in which their doctrines are clothed, the overmuch talk of proletariat and surplus value and class conflict, by the sectarian bitterness of their criticism of friend and foe alike, and by their rigid refusal to compromise for any gain. Yet while barren of immediate victories the S. D. P. is doubtless entitled to claim credit for preventing the opportunism of the less doctrinaire socialist groups degenerating into absorption in one of the older parties. The army enrolled is small, but the Social Democratic party has valiantly kept the Red Flag flying.

At the opposite pole of temperament and tactics stand the Fabians. "The Fabians here in London," to adopt another of Engels' characterizations, "are a band of ambitious folk who have sufficient understanding to compre-

[1] Hyndman, *Historical Basis of Socialism in England*, 1883, p. 443.

[2] "Socialism does not reject useful palliatives of existing anarchy. True, we know that such palliatives, however attractive in appearance, will only provide better wage-slaves for capitalists under existing institutions. But several of them will serve to check degeneration and to bring up a more capable race to face the difficulties of the near future." — Hyndman, *Social Democracy*, p. 24.

hend the inevitableness of the social revolution but who cannot trust this gigantic work to the rough proletarian alone, and therefore have the kindness to place themselves at the head of it. Dread of the revolution is their fundamental principle."[1] It is necessary to go back to the Philosophic Radicals to find a small group of men who have exercised such a profound influence over English political thought as the little band of social investigators who organized the Fabian Society in 1883. They were nearly all men of outstanding ability, — Sidney Webb, Sydney Olivier, Bernard Shaw, William Clarke, Graham Wallas, Hubert Bland, and E. R. Pease especially, — men of middle-class origin, and of university training. After a year or two of groping they found themselves and their tactics. For a quarter-century their aim has been twofold, to inform the socialist movement, refurbish its intellectual equipment, and to speed the socialization of British industry. In the first object their success has been more marked in dealing with specific problems than in providing a satisfactory theoretical basis for socialism. In spite of ingenious incursions into economic rent and the minimum wage, they cannot be said to have furnished an analysis of capitalism at all comparable in sweep and power to the Marxian theory, which they hold in supercilious contempt. In historical and analytical studies of the trade-union, coöperative, and trust movements, however, members of the society have done work of the first order, not equaled by any orthodox contemporary, and in essay and tract one concrete problem after another has been examined with thoroughness and constructive ability, if always with collectivist bias.

The Fabians are the typical opportunists of socialism, the preachers of revolution by installment. The continuity of social progress is their dominating prepossession. They do not believe, like their Hegelian cousins, that a day will

[1] *Socialist Review*, i, p. 31.

ever come when it can be said, there was unsocialism, here will be socialism. It has been their political tactics to endeavor to lead the progressive parties to socialism, to convince the Liberal and the Radical and the Tory Democrat that socialism is the logical successor of their now outworn creeds. They have labored ingeniously to show that an unconscious socialism is already in full swing in Britain, in post-office and public school, in hawkers' licenses and factory inspection and income taxation, drawing the deduction that the nation may as well be hanged for a sheep as for a lamb, and go consciously to the end of the socialist road. Instead of founding a party, they have preferred to remain a coterie, permeating the existing parties and forcing the pace by the insistent pressure from within of a resolute and purposeful minority.[1]

The influence gained in parliament and county council was directed steadily toward the extension of state and municipal activity in the industrial field. The Fabian is acutely state conscious. Rejecting the class struggle, he lays stress on social solidarity, on the organic unity of the nation. And society he is prone to identify with state. He is hopelessly bureaucratic; it is not without significance that Webb and Olivier and others of the group were civil servants. Strong where Marx was weak, the Fabian has a passion for constructing administrative machinery. His tendency is toward salvation by samurai, efficient well-oiled government by Superior Persons, backed by all the power of the state. In the ideal Fabian state the French syndicalist would suffocate for breath and call for the restoration of the old order at any cost. Of late years there

1 "Their tactics are to fight the Liberals not as decided opponents, but to drive them on to socialistic consequences; therefore to trick them, to permeate Liberalism with Socialism and not to oppose Socialistic candidates to Liberal ones, but to palm them off, to thrust them on, under some pretext. When they come to their specific tactics, to gloss over the class war, all is rotten. Hence their fanatic hatred of Marx and all of us — on account of the class war." — Engels to Sorge, 1893, *Socialist Review*, i, p. 31.

have been mild revolutionary movements in the society, and attempts have been made by new members to set on foot a more independent activity; but as yet the Fabian remains a Fabian.

The Social Democratic party appealed to the class-conscious workingman who could stomach the strong meat of Marxian economics. The Fabian Society was an organ of the cultured middle class. Neither appealed to that wide circle of middle and working class men and women who took a prevailingly ethical rather than economic or administrative attitude to life. To win their support socialism must appeal in more idealistic guise. In part this want was filled by the various Christian Socialist societies which carry on the tradition of Kingsley and Maurice, the Guild of St. Matthew, the Christian Socialist Union, the Liberal Christian League, and other organizations. In their vague, denatured version, socialism appears as a deduction from the Sermon on the Mount, an attempt at moralizing industry and settling social problems in the spirit of Christian brotherhood. The Clarion Fellowship is another idealist organization, or rather circle of readers, held together by the strong personality and virile homely English of Robert Blatchford, whose "Merrie England" and "Britain for the British" and weekly "Clarion" have done more than any other agency to bring socialism of a somewhat Utopian and communist type to the understanding of the average Englishman. The incurable national interest in theology shows itself in Blatchford in vigorous criticisms of Christian dogma which cause deep embarrassment to the more orthodox brethren. There is also a strong idealist strain in the Independent Labor party, the most vital of the existing socialist organizations. Founded in 1893 by socialist trade unionists, dissatisfied with the political dependence of labor, it set itself to organize the working classes and other sympathizers by methods more adapted to British prejudices than those practiced by the uncom-

promising S. D. F. The enthusiasm of Keir Hardie, the organizing ability of Ramsay Macdonald, the fire of Philip Snowden, reinforced by the unceasing efforts of hundreds of local adherents, many of them socialist orators through the week and local preachers on Sunday, slowly and steadily won converts, especially in the industrial north. Yet when the 1895 elections were held, the party did not succeed in capturing a single seat; its vote of 50,000 was scattered through 28 constituencies. When the nineteenth century drew to a close the I. L. P. had no more electoral success to its credit, except on municipal bodies, than its older rival. Politically, socialism appeared to be a negligible force in England.

For years it had been the dream of socialist agitators to win the embattled millions of trade unionism to their cause. On the surface progress seemed slow. Only a minute fraction of union members had enlisted in the ranks of either of the main propagandist bodies. The vast majority continued to vote for Liberal or for Conservative candidates, or, as in the case of the miners, elected union members who formed an almost indistinguishable section of the Liberal party. Yet slowly many of the younger leaders were being converted to more radical convictions, and the virtual halt in social reform which marked the last decades of the century, synchronizing with the revival of imperialist ambitions,[1] brought many who halted at socialism to feel the need of independent working-class representation. The reaction culminated in a series of judicial decisions, upsetting the privilege of immunity from suit trade unions had enjoyed unquestioned for thirty years and paralyzing their most effective means of action. The Taff Vale judgment crystallized the growing discontent. The Trade Union Congress which met in 1899 decided to strive for independent labor representation, primarily to secure the reversal of the Taff Vale decision.

[1] *Cf.* Hobhouse, *Democracy and Reaction.*

For this purpose a Labor Representation Committee was appointed, to unite trade unions, coöperative societies, and socialist organizations in an electoral alliance for this common end. The coöperative societies remained almost entirely aloof. The trade unions came in with alacrity, the adhesion of the miners, the last large group to hesitate, in 1908, bringing the membership represented up to nearly a million and a half. The socialist organizations had to face the question whether alliance would bring permeation of labor by socialist views or absorption of socialists in the huge labor mass. The Fabians and I. L. P. had sufficient opportunism and sufficient faith in their convictions to join the movement and remain in permanent coöperation. The S. D. F. joined at the outset, but seceded after a brief experience of the impossibility of foisting Marxian socialism on the party.[1] The new organization was soon tested. Taken unprepared in the khaki election of 1900, it succeeded in winning only two seats, though polling an average vote of four thousand in the constituencies contested. In 1906 fortune was more favorable; thirty members were returned, and the adherence later of the miners' representatives brought the strength of the party up to over forty.

Success brought up the crucial issue which is dividing socialism the world over. What attitude should the labor group take to Parliament and to older parties? On the one hand the straiter socialists, within the party and without,

[1] A curious reversal of rôles followed when the London correspondent of *Vorwärts*, Herr Beer, revealed to the I. L. P. the fact that Marx had declared that one labor movement was worth ten socialist platforms, that the important thing was that the forces of labor should move as a class — that socialism would follow. At once the I. L. P. ceased the criticisms directed against Marx when he was regarded as the special totem of the S. D. P., and delighted to boast its superior Marxian orthodoxy. The International Socialist Bureau took the same view when in 1909 it admitted the Labor party to membership, on the ground that, while the party did not explicitly recognize the class struggle, it was actually carrying it on.

urged rigid independence of both the capitalist parties, a firm insistence that Parliament should straightway cease its mere partisan trivialities and begin the enactment of the collectivist programme, an unceasing guerilla action regardless of the fate of cabinets or front-bench arrangements. On the other hand, the more practical men renounced sterile declamation and called for a working arrangement with whatever allies might be found, to secure at least an installment of the reforms demanded. The opportunists won all along the line, and the policy of co-operation with the Liberals was adopted from the start. Given the political situation and the temper of both the necessary parties to such a bargain which existed in the 1906 and 1910 Parliaments, such a decision was inevitable. On the side of the Labor party, both rank and file and parliamentary leaders were predisposed to alliance. The great majority of the individual members were more concerned with the remedying of their immediate grievances than with ushering in the collectivist commonwealth of the distant future. Undoubtedly socialist sentiment has been making rapid advance in trade-union circles; at the Hull Congress of the Labor party, held in 1908, while a motion advocating nationalization of land and capital was voted down by a ten to one majority, a similar resolution, held, however, by party casuists to express merely a pious aspiration and not like the former to constitute a condition of party membership, received the support of delegates representing 518,000 as against 494,000 members. Yet the total membership of the Independent Labor party, in large part of course drawn from other than union sources, amounted in that year to less than 20,000, so little hold has theoretic socialism taken on the mass of English workingmen. The parliamentary leaders of the party, while including a far larger proportion of declared socialists than the rank and file — twenty-six of the forty members in the 1910 Parliament — are men trained for the most part in trade-union

and coöperative and municipal administration, and prone therefore to prefer the solid achievement of the committee room to the fireworks of the platform. Once in the Commons, they come under its subtle influence, absorb its traditions of legality and compromise, feel in some cases the allurement of social advancement. The tumult of the class war sounds fainter and fainter in the distance.

To make coöperation possible, it was necessary not only that one of the older parties should be ready for it but that it should be much more ready for it than its rival; the greater the disparity, the closer would be the alliance, the less the possibility of the Labor party, if holding the balance of power, killing Charles to make James king. For the time at least the Conservative party was out of the running, weighted by its aristocratic connections and its neglect of labor demands in the 1900 to 1905 Parliament. An able minority, of which the "Morning Post" is the chief exponent, has indeed put forward a comprehensive programme of social reform fully as advanced as the Liberal demands, but the vital difference, that while the Liberals proposed to finance social reform by taxes resting mainly on the rich, the Conservatives could only look to protective taxes falling on all consumers, has hitherto hampered their tactics. The Liberals, in the meantime, were being driven more and more rapidly forward in the path of social reform. The inroads which Tariff Reform was making in town and county, with its alluring promises of work for all, made it necessary to offer something more than the negative blessings of Free Trade, necessary to grapple with the evils in the distribution of wealth which offset the advantages in its production. The slump in imperialism that followed the close of the Boer War, and the introduction of Chinese labor into the Rand, gave the radical element in the party the upper hand over the whig. The tradition of reform overcame the tradition of laissez-faire, the spirit prevailed over the form: the outraged Manchesterian was speciously

reassured that the essence of Liberalism had always been to secure the full development of individual capacity, and that while in one age this end was best assured by striking off the fetters of paternalism, in another age it involved the intervention of the democratic state. Finally, the electoral issues that developed made for alliance. Both Liberals and Labor men were opposed to the reviving pretensions of the House of Lords; both were traditionally opposed to militarist expansion, both — in spite of the many theoretical affinities between socialism and protection — could unite in defense of Free Trade. While, therefore, few Liberals were prepared to concede such socialistic demands as those contained in the Right of Work Bill, on the issues immediately pressing there was the possibility of the closest coöperation.

The results of the first years of concerted action seemed to justify the Labor party's policy. The Liberal government restored the immunity of trade unions from suit, accepting a bill drafted by the Labor party in place of its own official project, granted old-age pensions on a non-contributory basis, passed a miners' eight-hour law, provided wage boards to deal with sweated trades, and gave local authorities permission to provide free meals for necessitous school-children. The famous Budget of 1909, in addition to increased taxes on spirits and tobacco, included super-taxes on large incomes, taxes on the unearned increment of land and on undeveloped land, taxes on mining royalties and taxes on the monopoly value of liquor licenses; it provided for a valuation of all land, and set aside a development fund for the systematic conservation of national resources. In all these measures the Labor party gave the government steady support; it criticised many proposals for not going far enough, denounced the foreign policy of the government in various negotiations, opposed further naval expenditure, criticised the lack of adequate grappling with the unemployment pro-

blem, but never carried its opposition to the extreme of obstruction. In the election campaign which followed the Lords' fateful rejection of the Budget there was, in spite of a few three-cornered fights and official denials of any explicit understanding, close cooperation between Liberal and Labor forces. The opening session of the new Parliament, with the Liberal government in office by the grace of Irish and Labor support, witnessed even closer coalition than in the previous years and less Labor criticism or independent initiative.

This opportunist policy has inevitably roused the fiercest opposition on the part of thoroughgoing socialists. Criticism is the socialist's trade and it is a trade he finds it difficult to give up after working hours. When there is no capitalist to denounce it is always possible to find a weak-kneed brother for practice's sake; no socialist can be so extreme that he cannot be outdone in orthodoxy. The Independent Labor man considers the Fabian a dilettante, the Social Democrat pours scorn on the sentimentalism and half-heartedness of the I. L. P., and the Socialist Labor party — a branch of the American organization of the same name, as yet weak in numbers — declares that "the history of the I. L. P. and S. D. F. is one long tale of compromise, treachery, and uncleanness."[1] But all the orthodox may unite in denouncing the Labor party. Its policy of opportunism, it is charged, may be British, but it is not socialist. The constructive statesmanship boasted by the parliamentary leaders of the party is a mirage; two score men among six hundred can achieve no real gains; they may reason with the majority, they may outwit them on occasion, but in the main must adopt a give-and-take policy which ties their hands against any effective fighting.[2] The Labor members should not kowtow for favors; they should resolutely obstruct all parliamentary proceedings

[1] *Development of Socialism in Great Britain*, p. 21.

[2] Edward Hartley (I. L. P.), in *Justice*, July 3, 1909.

till the needs of the starving unemployed and the sweated women and children are met — a policy put into practice by Victor Grayson, the only member of the 1906 Parliament returned on a purely socialist platform, who succeeded in having himself suspended by the Speaker for noisy interruption of the debates on the Licensing Bill. It is useless for a Labor party to attempt to beat the capitalist politicians at their own game of maneuvering and wirepulling; it is worse than useless, it is dangerous, for "when a socialist essays to become a politician he is on the short line to hell."[1] The failure of the Labor party to adopt a programme, its mere hand-to-mouth policy, its virtual control by the parliamentary junta, make any consistent advance to socialism impossible. The party, indeed, showed signs of vigor and independence in the first session of the Parliament of 1906, but it speedily relapsed. The Labor alliance has proved Labor dominance. The fear of injuring the susceptibilities of non-socialist trade unionists paralyzed the activities of the socialist members of the party in the Commons, while the Hendersons and Shackletons and Hodges never pretended to be anything more than trade unionists, men of Liberal and radical antecedents, cursed, many of them, with a Nonconformist conscience and the fetichism of the teetotaler, and likely at a crisis to "go Liberal" as Grant Allen's cultivated negro "went Fanti."[2]

Nor, it is claimed, did the party even make a good bargain when it sold itself hand and foot to the Liberals. It accepted with enthusiasm a budget which, so far from being socialistic, threw ten times as much fresh taxation on the working class as on the landlords.[3] By its support of the Licensing Bill it lost the sympathy of the working-

[1] Victor Grayson, *International Socialist Review*, March, 1909, p. 667. In the January, 1910, election this brand was plucked from the burning by his considerate former constituents.

[2] H. M. Hyndman, *International Socialist Review*, Feb., 1910, p. 683.

[3] *Ibid.*, Oct., 1909, p. 352.

man, who likes his nightly half-and-half. Its partisan defense of free trade alienated the masses, who were turning toward protection, while its opposition to naval expansion and minimizing of the German scare proved its utter unfitness to become a national party.[1] By indiscriminately supporting Liberal measures it undermined its own prestige, committed political suicide; the result was seen in the fall of the number of Labor members in the House from fifty-three — including Liberal-Labor — to forty in the new. In short, "the Labor party in England to-day is the greatest obstacle to socialist progress."[2]

So much for the criticism directed against the Labor party's policy. But there are other critics who go further and attack its composition. A purely trade-union party, it is claimed, even if converted to socialism could not suffice for the task of overthrowing capitalism. A trade union fails to reach the unorganized millions, who outnumber the organized five to one. There is no room in it, on the other hand, for the middle-class socialist, for the men "just one remove from the artisan, who scorn membership in a trade union and resent being mixed up with a Labor party."[3] Even the socialist, it appears, has his streak of snobbery. The arrangement by which the party is financed, each union and socialist organization affiliated paying an amount equivalent to twopence per head a year, was hailed at the outset as a triumph of socialist diplomacy; the trade unions were to provide the cash and the socialists would furnish the candidates and the policy. But the unions which pay the piper have insisted on calling the tune: "in the Labor movement, money talks," and only those candidates of elastic conscience who are willing to toe the Labor line can obtain a nomination.[4]

[1] Cf. Robt. Blatchford in *The Clarion* and *Daily Mail*, 1909–10.
[2] H. M. Hyndman, *International Socialist Review*, Oct., 1909, p. 353.
[3] Keir Hardie, *My Confession of Faith in the Labor Alliance.*
[4] *New Age*, June 10, 1909.

The natural consequence is incompetent leadership. "The comparative failure of the Labor representatives in the House of Commons," declares Mr. Blatchford, "is due to the fact that they are workingmen. It is not lack of intellect nor lack of courage nor lack of knowledge which palsies the Labor group. With one or two natural aristocrats to lead them, all would be well." [1]

Faced by these criticisms, and by the action to which criticism has led, — secession of branches of the I. L. P., resignation of members of its national executive, the establishment of an independent socialist representation committee, — the position of the socialist leaders, who still adhere to the policy of Labor alliance and Labor party opportunism is an uneasy one. Still more serious complications have been introduced by the judicial decision in the Osborne case, which prohibits the use of union funds to support parliamentary representatives to whose opinions a minority of the union members are opposed, and thus strikes at the financial basis of the alliance. The movement, however, is too firmly based in economic conditions and national character to be easily overturned. It does not seem probable that the Labor party will be wrecked either by internal dissension or by judicial decisions. Whether the reconstructed party, subordinating its socialist ideals, will continue its policy of piecemeal reform and coöperation with the Liberals, or will become more doctrinaire, only time can tell. So far as may be judged, while the nation is apparently on the threshold of fresh extensions of state power, there seems little likelihood of a revolutionary socialism gaining more than the scanty foothold it now possesses in Britain.

In the United States organized socialism has found it even more difficult to obtain a footing than in the United Kingdom. Until of late years few of the economic and

[1] Cited by Keir Hardie in *Labor Leader*, April 30, 1909.

political conditions existed which have bred socialism in the older world. With half of a virgin continent to exploit, dazzling prizes were assured for the few and a high average of comfort for the many. Frontier conditions and the natural selection of immigration developed individualism to the full. The mobility of labor hindered the formation of class ties. The free land of the West assured alternative employment and high wages. The great preponderance of farmers, for the most part owners of the land they worked, made radicalism possible but collectivism incredible. A universal public-school system assured a fairly even start in the race. Even when discontent arose, its organization and expression were extremely difficult. The size of the country made against nation-wide agitation. Racial diversity and jealousy prevented the development of a common class consciousness. The negro danger in the South solidified the white population and silenced social discussion. The political environment was equally unfavorable. Universal suffrage and freedom of speech and association gave disaffectior ready outlet, but prevented it attaining the explosive force that follows repression. The constitution, while in reality, with its elaborate checks and counter-checks and division of authority, its lack of the concentrated power and responsibility of the cabinet system, its enthroned judiciary and its amendment-proof rigidity, one of the least democratic in the western world, was surrounded by a Fourth-of-July halo which awed criticism, socialist and other, and persuaded the people they were fortunate above all other men in their free institutions. Nor was the party system of the politicians of the day more favorable for the socialist than the constitution of the statesmen of 1787. Nowhere is it so difficult for a third party to develop as in the United States. The two-party habit is firmly rooted in tradition. The popular dislike of throwing away a vote deters all but the most earnest from aiding a struggling third party.

Above all, politics has become a business in which elaborate organization and a fat bank account give tremendous advantage: the spoils at the victors' disposal have made organization worth the politician's while, the multiplicity of offices for which the bewildered elector is forced to choose candidates makes organization necessary and inevitable. Against the two powerful party machines the amateur is heavily handicapped.

Yet of late years the socialist has found more cause for hope. Industry is concentrated in ever huger combinations, vital national resources are monopolized, wealth beyond the dreams of earlier avarice is heaped in single hands, fraud and corruption are revealed in the realms of high finance, easily gotten gains are flaunted in raw barbaric display. The poverty of Naples and Warsaw is transplanted to New York and Chicago. Free land and the frontier vanish; for the future, "America is here or nowhere." The evils of child labor, of slum mortality, of uncompensated accident stir revolt. In years of low prices the farmer groans under the weight of mortgages; when prices soar and the farmer buys his motor-car, the consumer, forced to economies which go against the grain, vents his indiscriminate wrath on the middleman, the trusts, or "the System." The trade unionist, faced with embattled employers' associations and hostile court decisions which cripple every activity, is led to look to political action for protection.[1] The German immigrant, the Jew and the Finn, spread the socialism of Europe. The muckraker develops a vaguer, more diffused socialistic sentiment among the native-born. The socialist is fain to believe his day is dawning.

In view of these conditions it is not surprising that it is only of late that organized socialism has made any headway in the United States. Its development has been slow

[1] Cf. Kennedy, "Socialistic Tendencies in American Trade-Unions," *Journal of Political Economy*, xvi, p. 470.

and checkered. The early Utopian communities have nearly all disappeared, leaving little trace in American life and few links with the later socialist movement. Until the end of the nineteenth century American socialism was an imported product. Its adherents were almost entirely German immigrants, fighting their Old World battles in the New. The unripeness of the times, ignorance of American conditions, barriers of speech and tradition, prevented their gaining wide adherence; socialism remained the doctrine of a few scattered faithful, with the consequent doctrinaire purism and proneness to dissension of the clique. In the early fifties Weitling organized a short-lived Workingmen's League. The Turnvereine or Gymnastic Unions developed socialistic tendencies which did not survive the Civil War upheaval. The International found brief popularity and its formal dissolution in the United States. It was not until the middle of the seventies that an organization was developed destined to any degree of permanence, the Workingmen's party, established in 1876 on a sound Marxian programme, and in the following year re-named the Socialist Labor party. For the next twenty years the Socialist Labor party was the chief organ of socialism. Its political activity alternated between unofficial alliance with the Greenback and Single-Tax movement and independent action; in its first presidential campaign, in 1892, it secured 21,000 votes; at the height of its power, in 1898, it polled 82,000 votes. Its main efforts were directed toward converting the trade and labor unions, and, that endeavor failing, toward fighting and denouncing the existing union organizations and attempting to create a union movement subsidiary to the party.[1] The

[1] "The climax of hatred toward the 'pure and simple' trade unions was expressed in the following resolutions adopted by a practically unanimous vote in the 1900 convention: 'If any member of the Socialist Labor party accepts office in a pure and simple trade or labor organization, he shall be considered antagonistically inclined toward the Socialist Labor party and shall be expelled. If any officer of a pure and simple

lack of success in either the political or economic field stimulated the growth of anarchism in its ranks, and it was not until the collapse of the anarchist agitation after the Haymarket tragedy that the discordant elements were subdued. Dissensions were never ending, intolerance more than ecclesiastical, and dogmatic purism increased; critics of the men in control of the highly centralized organization were branded as fakirs and traitors. Finally, in 1901, dissentient factions united to form the Socialist party, which has increasingly supplanted the Socialist Labor party as the chief exponent of socialist views in the United States.

The twentieth century socialist movement has an American rank and file, middle-class leaders and an increasingly opportunist programme. Socialism in the United States has ceased to be exotic; while the German and Finnish and Jewish elements are still prominent, the recent growth has been mainly among the native-born. It has ceased to be purely a movement of manual workers; the leaders are usually men of liberal education and professional occupation, while the middle-class representation in the ranks is increasing. Its policy is increasingly opportunist, although it has not yet been transformed into a mere radical reform party. The universal opposition between the revolutionary and the constructive wings is resulting in the United States in the gradual victory of the latter element; the superior political ability of the editors, lawyers, ministers, professional lecturers and organizers who lead the reformist forces, the astuteness of Victor Berger, the eloquence of Spargo, the keenness and fairmindedness of Hillquit and Stedman, the wit of Thompson, the editorial experience of Lee and Simons, the heavy Marxian batteries of Untermann and Lewis,

trade or labor organization applies for membership in the Socialist Labor party, he shall be rejected.'" — Hillquit, *History of Socialism in the United States*, p. 340. Cf. the columns of the party organ, *The People*, passim.

the incisive force of Hunter, give advantage in shepherding the rank and file and maneuvering in party conventions. The force of the opposition, on the other hand, is somewhat weakened by the attraction which the Socialist Labor party, declining in numbers but not in revolutionary zeal, exerts upon the impossibilists. The personnel shifts: the revolutionaries of one convention may be the tamest of reformers at the next, but new exponents of the extreme views are thrown up by the surge of economic struggle and the conflict goes on unceasingly.[1]

The opposition between the two wings comes out clearly in determining the attitude taken toward organized labor. The root and branch men are all for denouncing the craft unionism of the American Federation of Labor as "organized inter-trade scabbery," a selfish, reactionary, and hopeless endeavor to make peace with capitalism. In its stead they exalt industrial unionism, strong in organization because including not merely the members of a single narrow craft but all the workers in an industry, be it mining or metal-working or transportation; socialist in spirit, replacing the division of interest between skilled and unskilled by the common consciousness of class; revolutionary in aim, looking, like French syndicalism, to the taking-over of the entire management of industry by the unions, without the intervention of the overworked state. While American unionists are being forced by the growing integration of industry and the aggressiveness of employers' associations to close up their ranks and merge or federate closely connected trades, the great majority refuse to have anything to do with the theory of revolutionary industrial unionism or with the practice of its chief exponent, the Industrial Workers of the World, an organization which is a byword for factionalism and ineffectiveness. The opportunist wing of the Socialist party, accordingly, de-

[1] Cf. Hoxie, "Convention of the Socialist Party," *Journal of Political Economy*, xvi, p. 442.

clines to antagonize the powerful legions of trade unionism by taking a stand in favor of the industrial union. The clash of opinion leads to such ostrich devices as the adoption in official references of the non-committal term "labor organizations."[1] The same reluctance of the one side to offend the unionist forces and the same determination of the other to stick to principles at any cost shape the discussion over the immigration problem. Should the Socialist party back up the almost unanimous demand of the trade unions for Asiatic exclusion and their growing hostility to European immigration? The traditional socialist position has been to take no count of national boundary lines; to the Marxian socialist the proletarian class the world over is one in its enmity to international capitalism; to the sentimental socialist the brotherhood of man forbids race antagonism: love and hate meet in extremes. Theoretical orthodoxy is strengthened by the apprehension of the foreign-born members of the party that Asiatic exclusion is only the prelude to Russian or Italian exclusion. The opportunist gives little weight to such considerations; he knows that while "Marx has been dead for twenty-five years," the Socialist party which stands for unrestricted Oriental immigration will fare disastrously in the political campaign with "every workman who has carried a card opposing you at every turn and in every way."[2]

The farmer is another source of contention. The reformist element adopts the logic of a party on the make: a majority of votes must be won; no majority can be won in the United States without the aid of the farmer; the aid of the farmer is not to be secured by proposals of land nationalization; therefore Mahomet must go to the mountain, the Socialist party must assure the farmer that he will be left

[1] Cf. *Proceedings of the National Convention of the Socialist Party*, 1908, p. 30, and debate, pp. 93–102.

[2] *Ibid.*, p. 121.

his little farm and indeed made the more secure in its possession by the nationalization of the transportation and machinery monopolies which threaten his independence. The orthodox expose the casuistry of the attempt to make out that private ownership of small farms is really not private ownership, — "When is a capitalist not a capitalist? When his vote is needed by the socialist statesmen from Milwaukee," — and urge renewed endeavors to convince the farmer that the inevitable socialization of all the land of the country will be to his advantage. The contest between the two tendencies in the party is close and keen: in the 1908 convention the majority report of the Farmers' Committee declaring that, "as for the ownership of the land by the small farmers, it is not essential to the socialist programme that any farmer shall be dispossessed of the land which he himself occupies and tills," was rejected two to one in favor of the minority report insisting "that any attempt to pledge to the farmer anything but a complete socialization of the industries of the nation is unsocialistic."[1] In 1908 a referendum of the party members reversed this action, deciding by a decisive majority to omit from the programme the demand for the collective ownership of all land.

The opportunist trend is seen at its height in the formulation of the immediate demands. The programme includes proposals for relief works for the unemployed — based on the fallacy that the mere increase in the number of employers is sufficient to banish unemployment — and calls for the collective ownership of railroads, telegraphs, telephones, and steamship lines, of mines, oil-wells, forests, and water-power, of reforested timber land and reclaimed swamp land, and of national industries at the monopoly stage. This extensive state socialist programme, which might be indorsed in its entirety by a German bureaucrat, doubtless would appeal more favorably

[1] *Proceedings of the National Convention of the Socialist Party*, 1908, p. 179.

to the American people to-day than before the campaign for conservation began to socialize their thinking. Its partial advocacy by one or other of the great parties may be anticipated if the attempt to regulate abuses fails, but for the present the wholesale extension of centralized ownership it proposes is not to be seriously contemplated. The programme of industrial demands is more moderate; most of its clauses simply reiterate improvements secured or advocated by non-socialist reformers in the United States and elsewhere. A shorter work-day and work-week, a more effective inspection of workshops and factories, — here is nothing revolutionary. A noteworthy indication of the advance toward immediate practicability is the adoption of sixteen rather than eighteen as the minimum age of employment for children,[1] while Bismarckian compulsory insurance against unemployment, illness, accident, invalidism, old age and death carried the day against a proposal for non-contributory pensions.[2] Nor are the political demands distinctively socialist; the United States might have the graduated income and inheritance taxes of Great Britain, the woman suffrage of New Zealand, the initiative and

[1] "If we are going to wait until we get socialism, and if we are going to leave the child in the factory until we get socialism, then I am not a socialist. . . . The child in the factory will be more grateful to the cheap reformer who is going to get him out of that factory hell than to the impossible socialist who is going to make conditions all right after a while — when the child is completely ruined."

Contra: "Instead of putting in an age limit of this kind, let us put all our energies into getting socialism, and never mind any of these immediate demands. . . . I am in favor of trying to get all the votes we possibly can on socialism and not on immediate demands. (Applause.) I know we have in this country a growing movement among socialists who are wanting votes no matter how they will get them. . . . I hold that whenever the Socialist party gets so strong in power that it will be able to do something of permanent benefit to the working class, we will be able to get socialism and not immediate demands And so long as we are not sufficiently strong in power to get socialism, then the capitalist class will be in control and will allow only what they wish to allow so as to prolong the present system." — *Ibid.*, pp. 207–208, 209–210.

[2] *Ibid.* p. 211.

referendum of Switzerland, the proportional representation of Belgium, the single chamber of Greece, the powerlessness — or reluctance — of the German courts to declare laws unconstitutional, the independent department of labor of Canada, the power of the people of Australia to amend their constitution by a majority vote, it might make the practice of electing judges by the people for short terms universal, and still be as far from the collective commonwealth as ever; the march of democracy might be made more rapid but its march in a socialist direction no less problematical than before. A fitting end to what in the socialist vocabulary is termed a "fly-paper platform" is furnished by the verbal concession to the revolutionary wing that "such measures of relief as we are able to force from capitalism are but a preparation of the workers to seize the whole power of government, in order that they may thereby lay hold of the whole system of industry and thus come to their rightful inheritance."

The socialist agitation will undoubtedly influence and strengthen the tendency to extend state power in order to cope with the evils of unregulated industry. That the people of the United States will ever be induced to abandon private ownership and individual initiative as the fundamental basis of their industrial institutions, that in weariness of the struggle to curb the ills while preserving the incomparable advantages of the existing order they will adopt the desperate remedy of collectivism, there is little likelihood. Nor is it probable, in spite of the present confusion in Republican and Democratic ranks, that a powerful socialist party will arise; the old-line parties share with the institution of private property disappointing potentialities of adaptation and renewed vitality. Socialist success at the polls involves many an "if"; if the progressive elements of both the Republican and the Democratic parties failed to gain control, if tariff exactions, monopolization of natural resources, financial fraud and anti-

union court decisions went on unchecked, if the opportunist socialist remained in control, if a leader could be found magnetic enough to strike the nation's imagination and sane enough to win its confidence, the Socialist party might hope for success. But then such a party, diluted by the adherence of millions of half-hearted allies, bound by concessions to the trade unionist, to the farmer, and to the small business man, and controlled by politicians, hoisted at last the Red Flag, or rather its delicately pink-tinted flag, above the White House, it would find its most strenuous opposition from a party of steadfast, proletarian, unreconstructed, pure and simple socialists.

In the northern half of the continent socialism has found still less foothold. Canada is not yet as advanced in industrial development as the United States; agriculture dominates. Widespread poverty is unknown; the gates of opportunity are open wide. The power of the Catholic Church in Quebec erects a solid barrier in the path of socialism. The cabinet system inherited from Britain and the party machine adopted from the United States both make against group politics. Only in recent years, with growing immigration from continental Europe and with growing industrial complexity, has the movement gained any strength. Winnipeg has a strong socialist element in its motley foreign quarter, Toronto, Montreal, Cape Breton, and a few other industrial and mining centres have small coteries, but it is only in British Columbia that socialism has developed any political importance. In the Pacific province the comparative weakness of the farming class, the prevalence of mining and other industries requiring large-scale capitalist investment, the discontent of failure in the last and farthest west, the influence of American and English socialism, combined with aggressive leadership, have given rise to a socialism of thoroughgoing Marxian orthodoxy, and have enabled the party to poll one fifth of the provincial vote. Even in British Columbia, however,

there seems little scope for further expansion, and elsewhere in Canada socialism is likely to remain sporadic and exotic.

In face of the varied form and strength socialism has attained in the different national environments, speculation as to the future of this mighty world-wide movement must be confined to the most general considerations. One point is clear: the success of socialist ideals is not necessarily bound up with the success of socialist parties; a large installment of socialism might be brought about without the intervention of a party specifically labeled socialist, and a socialist party might come to power so transformed and modified as to have lost its right to the name. So far as the chief aim of socialism is concerned, the abolition of private property in the means of production, there seems no probability of success. Doubtless the expansion of national and municipal ownership has not yet reached its limit, yet there is every indication that private property will remain the dominant industrial feature of our western civilization. In the future, as in the past, it will survive because of its proved social utility, changing its scope and its attributes as new demands are made upon it, regulated by state insistence on the rules of the game, socialized by the extension of joint-stock ownership, democratized by trade-union sharing in determining the conditions of employment, moralized by the growing sense of the trusteeship of wealth. So far as the future of socialist parties is concerned, the brief review of the present situation given shows the complexity of the factors to be considered. Where industrialism dominates, where the door of economic opportunity is shut, where autocratic repression is the policy of the state, where the parliamentary group system prevails, a strong socialist movement is probable. Where, on the contrary, industrial development is backward, or where with industrial development there has been maintained wide opportunity for individual better-

ment, where democratic reform makes steady progress, where cabinet government prevails or the two party system is strongly entrenched, where clerical opposition or racial division opposes barriers, the socialist movement is likely to be weak. Growth in political strength, again, brings moderation, stress on immediate betterment, appeals to the wider classes whose support is needed for parliamentary victory. Yet, while the main trend is toward opportunism and acceptance of the existing order, there always persists, within or without the ranks of the organized party, a minority who cling to the straitest doctrines of the school and wait with inextinguishable hope for the dawning of the day of revolution.

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